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HUA ENG WIRE AND CABLE CO.,
LTD.

2025 Annual Report

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Company Website: <http://www.hegroup.com.tw>

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Title: General Manager

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Deputy spokesperson:

Name: Liu Hsiu-Mei

Title: Deputy General Manager, Administration Department

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(II) Addresses and phone numbers of the head office, branches and factory

Head Office: Address: No. 170 Zhongzheng 4th Rd, Qianjin District,
Kaohsiung City 801

Tel.: (07) 281-4161 (Line 27)

Taipei Branch: Address: 11F, No. 210, Section 3, Nanjing East Road,
Zhongshan District, Taipei City 104

Tel: (02) 2771-7611 (Line 5)

Factory: Address: No. 30, Gaonan Highway, Renwu District, Kaohsiung City
814

Tel: (07) 342-6333 (Line 8)

(III) Name, Address, Website and Tel. for Stock Transfer Organization

Name: Hua Eng Wire & Cable Co., Ltd. Stock Affairs Division

Address: 11F, No. 210, Section 3, Nanjing East Road, Zhongshan District,
Taipei City 104

Tel: (02) 2771-7611 (Line 5)

Website: www.hegroup.com.tw

(IV) Names of CPAs for the latest financial statements, and the name, address, website and phone number of the CPA firm

Name of CPA: Chen Yung-Hsiang, Su Yen-Ta

Name of CPA firm: KPMG Taiwan

Address: Rm. 6,12F, No. 211, Zhongzheng 4th Rd, Qianjin District,
Kaohsiung City 801

Tel.: (07) 2130888

Website: www.kpmg.com.tw

(V) Name of any exchange where the Company's securities are traded offshore, and the method to access information on the said offshore securities: None.

(VI) Company website: www.hegroup.com.tw

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I. Business results of the previous year (2025):

(I) Business plan implementation results:

The consolidated operating revenue of the Company and its subsidiaries in 2025 was NTD 11,331,431 thousand; consolidated operating costs were NTD 10,156,567 thousand; consolidated operating expenses were NTD 250,901 thousand; consolidated operating net profit was NTD 923,963 thousand; consolidated non-operating net income was NTD 1,683,836 thousand; consolidated net profit before tax for the current period was NTD 2,607,799 thousand; consolidated income tax expense was NTD 198,106 thousand; consolidated net profit after tax was NTD 2,409,693 thousand for the current period; consolidated other comprehensive loss amounted to NTD 10,977 thousand for the current period; and the total consolidated profit for the current period was NTD 2,398,716 thousand.

(II) Budget implementation: Not applicable, as the Company does not prepare financial forecasts.

(III) Revenues, expenses, and profitability analysis:

Item		Percentage
Return on assets		16.17%
Return on equity		24.45%
Percentage in paid-in capital	Operating profit	14.60%
	Profit before tax	41.21%
Net profit margin		21.26%
Earnings per share (NTD)		5.50

(IV) Research and development status:

1. R&D of high-quality copper materials for electric vehicles and alternator motors.
2. R&D of narrower grooved optical cables.
3. R&D of spider web ribbons.
4. Development of low-carbon cable materials.

II. Summary of the business plan for the year (2026)

(I) Business guidelines:

1. Oxygen-free copper wire (DIP) is used in market segmentation, targeting the increasing copper demand in the electric vehicle and green energy storage industries. The Company is also developing high-value-added copper wires and specialized profiles (such as ultra-fine wires, solar energy, and medical applications).
2. The Company has obtained certification for 345KV ultra-high voltage transmission cables and related connection materials. In alignment with the power company's "Power Grid Resilience Enhancement Plan," which will invest NT\$564.5 billion over the next 10 years, the Company is committed to providing Taipower with robust and high-quality power infrastructure. This initiative aims to enhance the stability and disaster resistance of the power system, ensuring the security and reliability of electricity supply. The plan includes upgrading and modernizing existing power grid infrastructure and integrating smart and automated technologies to optimize grid operations. The Company is actively seeking opportunities in medium- and high-voltage cable markets.
3. The Company has obtained engineering projects from TaiPower for 161kV high voltage transmission cables and equipment and will also support the government's offshore wind power plan by meeting the offshore wind industry's need for grid connections. The Company provides high-efficiency and reliable power transmission equipment, including 161KV cables and related infrastructure. This ensures that the power generated by offshore wind power projects can be effectively and safely transmitted to land, to supply to the regional power grid in order to meet energy demand ; the Company will continue to secure

large-scale turnkey projects of transmission cables as a means to achieve its Company's operating goals.

4. According to the Ministry of Economic Affairs' amendment to the Renewable Energy Development Act, newly constructed, expanded, and renovated buildings that meet specific criteria must install solar photovoltaic (PV) systems of a certain capacity. As large-scale renewable energy sources such as solar and wind power are integrated into the grid, the power system requires greater stability and resilience to handle the intermittent and fluctuating nature of these energy sources. To guarantee secure and efficient power transmission, cables, a critical component of the infrastructure, must undergo technical upgrades and expansion. The Company is committed to providing high-quality, high-performance cables and related infrastructure to support the construction and operation of renewable energy power generation projects. It is actively striving for green-energy related business opportunities and is working with the Taiwanese government towards achieving the goal of clean energy, as well as emphasizing the key role that electrical wire and cable companies play in the promotion of renewable energy.
5. Responding to the international and domestic trends of 5G telecommunication, online banking, cloud storage for big data, mobile payment, IoT, IoV, and autonomous vehicles, the Company improves the production capacity of optical fiber cables and successfully develops flat optical fiber cables, low-friction optical fiber cables, micro-tube optical fiber cables, corrugated optical fiber cables, and FTTH indoor bending-resistant G657A optical fiber cables.
6. Demand from major domestic projects such as the MRT system, HSR station construction, Railway Bureau improvement projects, plant construction in industrial parks, and securing orders for low-smoke, non-toxic, fire-resistant and flame-retardant power cables, particularly the planned route of the purple line announced by the KRTC, with a full length of 36km, will bring business opportunities to the Company.

7. We research and develop the formula of high voltage rubber to bid for the projects of TPC's power plants such as Linkou Power Plant, Dalin Power Plant, Tongxiao Power Plant, Xingda Power Plant, Taichung Power Plant, and Longjian Power Plant and to obtain orders for EPR fire-resistant control cables.
8. To expand our business in the overseas Copper wire and cable market, we have passed certifications in Japan, Thailand, Austria, United States, and South Korea to obtained orders.

(II) Expected sales volume and its basis:

For 2026, the estimated sales volume is as follows: Copper wire: 5,700 tons; Power cables: 15,160 tons; Optical fiber cables: 75,035 KM-C. Due to the cancellation of the ECFA zero tariff, the reduction in copper wire sales will be compensated by increased sales of power cables.

(III) Important production/sales policy:

1. For the sale of products, we focus on the market and balancing production and marketing. Our products are sold primarily in Taiwan and, secondarily, overseas.
2. Our products are sold directly to high-tech industries, listed companies and government agencies. As for other enterprises and businesses, we work with distributors to sell our products.
3. We achieve reasonable production costs, improve the development of new material sources and the production management, adjust the proportion of our products, enhance product quality, reduce the delivery time, and boost the market competitiveness.
4. Shipping schedules remain unstable, inflation and military conflict have caused the increase in commodity price, hedging of raw materials (copper, XLPE) are strengthened.
5. We reinforce the distribution network and enhance the operation of the online information system to improve service efficiency and quality, thereby meeting customers' needs.

III. Future development strategy:

1. Short-term business development plan:

(1) High-quality oxygen-free copper.

① electric vehicle motors Rectang .

(2) Engineering project:

① ultra-high voltage 161KV Turnkey project and 345KV emergency repair engineering projects.

(3) Green energy industry:

① Efficient rubber cables for thermal power plants.

② Medium and high voltage cables for solar and wind power generation.

③ Eco-friendly RoHS cables.

(4) Track and traffic:

① Special armored optical fiber cables for the Railways Administration.

② LSFH cables for MRT.

(5) Special armored cables for petrochemical plants.

2. Long-term development plan:

(1) Further research and develop high value-added products, integrate resources from research institutions such as the ITRI and universities to seek for opportunities in new industries.

(2) Recruit and train talents to enhance the talent training program implemented together with the academic community on a continuous basis.

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

1. As the Middle East is the main oil supply area, conflicts in the region may drive up oil prices. Rising oil prices increased transportation and plastic material costs.
2. The main raw materials for wires and cables are metals such as copper and aluminum. Fluctuations in international prices directly affect production costs, and if these costs cannot be passed on immediately, company profits will be squeezed.

3. Trump's tariff policy, particularly tariffs on aluminum and copper, has a significant impact on the wire and cable industry, as copper and aluminum are the primary raw materials for cable products. The price increases directly raise manufacturing costs, affecting downstream construction and power projects.
4. The Company plans to explore the feasibility of carbon reduction, to respond to Climate Change Act in Taiwan and Carbon Border Adjustment Mechanism (CBAM) in the European Union, to achieve ESG and corporate sustainability.
5. Both the energy dispatching of electricity companies and the management strategy for cloud IoT of telecommunication operators increase the demand for wires and cables and reduce the delivery time, which will affect the opportunities in the wire and cable market.
6. The Company focuses on strengthening quality management, controlling the operating cost, reducing risks, and actively developing high value-added products.

Two. Corporate Governance Report

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I. Information on Company's the directors, General Manager, deputy general managers, assistant general managers:

(I) Director information 1.

Unit: Shares; Date: April 19, 2026

Title	Name	Appointment date	Term of office	Date first appointed	Shares held at the time of appointment		Shares currently held		Number of shares currently held by spouse and minor children		Shares held in the name(s) of others	
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Chairman	First Copper Technology Co., Ltd. Representative: Wang Hong-Ren	2023.06.21	Three years	1996.06.10	208,563,824	32.96%	208,563,824	32.96%	—	—	—	—
				1987.10.05	13,419,455	2.12%	13,419,455	2.12%	17	0.00%	0	0
Director	Mei-Da Co., Ltd. Representative: Liu Chung-Jen	2023.06.21	Three years	1996.06.10	3,936,732	0.62%	3,936,732	0.62%	—	—	—	—
				2007.06.28	2,362,021	0.37%	2,362,021	0.37%	13,941,804	2.20%	0	0
Director	First Copper Technology Co., Ltd. Representative: Wang Ming-Jen	2023.06.21	Three years	1996.06.10	208,563,824	32.96%	208,563,824	32.96%	—	—	—	—
				2022.03.03	5,411	0%	5,411	0%	0	0	0	0
Director	Mei-Da Co., Ltd. Representative: Wang Wen-Ling	2023.06.21	Three years	1996.06.10	3,936,732	0.62%	3,936,732	0.62%	—	—	—	—
				2023.06.21	13,941,804	2.20%	13,941,804	2.20%	2,362,021	0.37%	0	0
Independent Director	Wu Tong-Shung	2023.06.21	Three years	2017.06.30	0	0	0	0	0	0	0	0
Independent Director	Chang Jinn-Der	2023.06.21	Three years	2017.06.30	0	0	0	0	0	0	0	0
Independent Director	Sun Chin-Feng	2023.06.21	Three years	2020.06.17	0	0	0	0	0	0	0	0

Note: For corporate shareholders, the name of the corporate shareholder and its representative should be listed separately (for representatives of a corporate shareholder, the name of the corporate shareholder should be indicated)

(I) Director information 2.

Date: April 19, 2026

Title	Name	Gender Age Note 2	Nationality or place of registration	Work (academic) experience	Post(s) concurrently held in the Company and other companies	Spouse or relatives within the second degree of kinship or closer acting as other officers, directors, or supervisors			Remarks Note 3
						Title	Name	Relationship	
Chairman	First Copper Technology Co., Ltd. Representative: Wang Hong-Ren	Male 66~75 years old	Republic of China	MBA, Lindenwood College, USA	Chairman, First Copper Technology Co., Ltd. Chairman, Hua Ho Engineering Co., Ltd. Chairman, Taiwan Times Co., Ltd. Director, Hua Horng Investment Co., Ltd. Director, Kuo Chiou Enterprise Co., Ltd.	Director	Liu Chung-Jen Wang Wen-Ling	Second degree of kinship Second degree of kinship	—
Director	Mei-Da Co., Ltd. Representative: Liu Chung-Jen	Male 66~75 years old	Republic of China	Business management, Columbia College, USA	Director, First Copper Technology Co., Ltd. Chairman, Hua Horng Investment Co., Ltd. Chairman, Mei-Da Co., Ltd. Director, Taiwan Times Co., Ltd.	Director	Wang Hong-Ren Wang Wen-Ling	Second degree of kinship Spouse	—
Director	First Copper Technology Co., Ltd. Representative: Wang Ming-Jen	Male 66~76 years old	Republic of China	Industrial Engineering, Chung Yuan Christian College of Science and Engineering	Director, First Copper Technology Co., Ltd. Director and President, Taiwan Times Co., Ltd. Responsible Person, Sheng Feng Ltd. Responsible Person, Sheng Feng Ltd. Supervisor, Hua Horng Investment Co., Ltd. Supervisor, Mei-Da Co., Ltd. Supervisor, International Shipbreaking Enterprise Co. Ltd.	None	—	—	—
Director	Mei-Da Co., Ltd. Representative: Wang Wen-Ling	Female 56~65 years old	Republic of China	Christ's College Taipei	Director, First Copper Technology Co., Ltd. Director, Hua Horng Investment Co., Ltd. Director, Mei-Da Co., Ltd. Director, International Ship-breaking Enterprise Co. Ltd.	Director	Wang Hong-Ren Liu Chung-Jen	Second degree of kinship Spouse	—

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Independent Director	Wu Tong-Shung	Male 76–85 years old	Republic of China	National Chengchi University Department of Accounting and Statistics Founder and senior partner, Deloitte & Touche Taiwan	Director, Taishin International Bank Chairman, Taishin Asset Management Co., Ltd. Director, Taishin Real Estate Management Co., Ltd. Director, Taishin Securities Co., Ltd. Supervisor, Taishin Venture Capital Investment Co., Ltd.. Director, Shen Tung Construction and Development Co., Ltd. Members of the Company's Remuneration Committee	None	—	—	—
Independent Director	Chang Jinn-Der	Male 66–76 years old	Republic of China	PhD in Accounting, Federal International University Doctor of Laws, National Chung Cheng University	Director, Crown & Co., CPAs Chairman, Taiwan Institute of Business Part-time professor, Department of Law, Open University of Kaohsiung Chairman, Crown International Consultant Co., Ltd. Director, PharmaEssentia Corp. Independent director, Jukao Engineering Corp. Director, Concord Securities Co., Ltd. Director, Guan De Investment Co., Ltd. Adjunct Professor, Department of Accounting and Information, Asia University Member, Laws and Regulations Committee, Ministry of Audit Members of the Company's Remuneration Committee	None	—	—	—

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Independent Director	Sun Chin-Feng	Male 56–65 years old	Republic of China	University of Michigan Master of Business Administration (MBA) Master of Materials Science (MS), Wayne University, Michigan State, USA	General anager, SAGA Unitek Ventures Chairman, FiTek Photonics Corporation Independent director, Tah Tong Textile Co., Ltd. Independent director, Chicony Power Technology Co., Ltd. Members of the Company's Remuneration Committee	None	—	—	—
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Note 1: The Company's directors did not work in the CPA firm during the said period.

Note 2: Please list the actual age, which may be presented by age ranges, such as 41–50 years old or 51–60 years old.

Note 3: Where the Company's chairman and general manager or personnel with an equivalent position (top manager) are the same person, have a spouse relationship, or are relatives within one degree of kinship to the other, the reason, rationality, necessity, relevant information, and corresponding measures (such as increasing the number of independent directors with a majority of the directors not serving as an employee or manager) should be explained.

Major shareholders of corporate shareholders

Date: April 19, 2026

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholder (Note 2)
First Copper Technology Co., Ltd.	Hua Eng Wire & Cable Co., Ltd. (39.44%), Wang-Yang Pi-O (10.38%), Wang Wen-Ling (1.82%), HSBC Custody of Goldman Sachs International Investment Account (0.83%), Wang Feng-Chuan (0.67%), Wang Feng-Shu (0.43%), Standard Chartered Bank, Taipei, in custody for Mizuho Securities Co., Ltd. Investment Account (0.40%) Citibank, N.A., Taipei Branch, in custody for Barclays Capital Securities Limited SBL/PB Investment Account (0.28%), Wang Feng-Chien (0.23%), CT Capital Limited (0.23%)
Mei-Da Co., Ltd.	Hua Hong Investment Co., Ltd. (41.05%), Wang Wen-Ling (16.32%), Wang Feng-Chuan (15.79%), Wang Feng-Shu (15.79%), Wang Hong-Ren (5.26%), Wang, Wei-Chun (2.63%), Wang, Tzu-Chia (2.63%), Wang Yu-Ting (0.53%)

Note 1: When the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be provided.

Note 2: Please provide the names of the major shareholders (the top 10 in shareholding) of the corporate shareholder and their shareholding ratios. When the major shareholder is a juridical person, the following table should be filled in.

Note 3: When a juristic-person shareholder is not a corporate organization, the names of the said shareholders and their shareholding percentages that should be disclosed are the names of the investors or donors (please refer to the announcement inquiries of the Judicial Yuan) and their percentages of capital contribution or donation; when the donor had passed away, please mark – deceased.

Major shareholders of major shareholders who are juridical persons referred to in the above table

Date: April 19, 2026

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholder (Note 2)
Hua Eng Wire & Cable Co., Ltd.	First Copper Technology Co., Ltd. (32.96%), Hua Horng Investment Co., Ltd. (7.39%), Wang-Yang Pi-O (5.24%), Wang Feng-Shu (2.46%), Wang Wen-Ling (2.20%), Wang Hong-Ren (2.12%), Chen Kun-Jung (0.80%), Wang, Tzu-Chia (0.73%), Mei-Da Co., Ltd. (0.62), Wang, Wei-Chun (0.62%)
Hua Horng Investment Co., Ltd.	Kulsum Industries Limited (79.79%), Wang, Wen-Ling (3.19%), Wang, Feng-Chuan (3.19%), Wang, Feng-Shu (3.19%), Wang, Hong-Ren (3.19%), Wang, Yu-Ting (2.13%), Wang Yang, Pi-O (1.60%), Wang, Wei-Chun (1.49%), Wang, Tzu-Chia (1.38%), Wang, Feng-Chin (0.85%)
CT Capital Limited	Excetek Engineering Consultants Corp. (100%)

Note 1: If any of the major shareholders shown in the above table are juridical persons, please provide their names.

Note 2: Please provide the names of the major shareholders (top 10 in shareholding) of the juridical persons and their shareholding ratios.

Note 3: When a juristic-person shareholder is not a corporate organization, the names of the said shareholders and their shareholding percentages that should be disclosed are the names of the investors or donors (please refer to the announcement inquiries of the Judicial Yuan) and their percentages of capital contribution or donation; when the donor had passed away, please mark – deceased.

(I) Director information 3.

1. Information on directors' professional qualification:

Name	Expertise and experience (Note 1)
First Copper Technology Co., Ltd. Representative: Wang Hong-Ren	Mr. Wang Hong-Ren majored in business administration, and was previously Director of Hua Eng Wire & Cable, the Director of First Copper Technology and the Chairman of Taiwan Times. He is currently Chairman of Hua Eng Group, and possesses decades of working experience required for business and corporate operations. He is equipped with business management and strategic leadership capability and is able to lead the Company to better development and sustainable operating targets. There is no circumstance under subparagraphs under Article 30 of the Company Act.
Mei-Da Co., Ltd. Representative: Liu Chung-Jen	Mr. Liu Chung-Jen majored in Business Administration and has served as a director of the Hua Eng Group for approximately 20 years. He is well-versed in the Company's organization and business operations and possesses managerial expertise, as well as operational judgment in economic and market industry development. He is not under any of the circumstances set forth in Article 30 of the Company Act.
First Copper Technology Co., Ltd. Representative: Wang Ming-Jen	Mr. Wang Ming-Jen graduated from Chung Yuan Christian College of Science and Engineering with a degree in industrial engineering and possesses over 30 years of experience as a professional manager in Taiwan Times Co., Ltd., as well as practical experience in factory construction, machinery procurement and manufacturing. He is also equipped with rich knowledge and experience in mechanical engineering and production management and is not subject to matters with respect to Article 30 of the Company Act.
Mei-Da Co., Ltd. Representative: Wang Wen-Ling	As a director of Hua Horng Investment Co., Ltd., Ms. Wang Wen-Ling has accumulated investment and financial judgment and experience, and has the decision-making ability in business management and crisis handling, and has the professionalism and experience required for the Company's business. Ms. Wang is not subject to matters with respect to Article 30 of the Company Act.
Wu Tong-Shung	Mr. Wu Tong-Shung graduated from School of Business of National Chengchi University, majored in Accounting and Statistics and is currently a certified public accountant. His plentiful expertise and work experience in commerce, finance, and accounting include being the founder and senior partner of Deloitte & Touche Taiwan, co-founder of Taishin Group, director of Taishin International Bank (from 2009 to today). He is not under any of the circumstances set forth in Article 30 of the Company Act.

Chang Jinn-Der	Mr. Chang Jinn-Der owns a Ph.D. degree in Accounting from Federal International University in the U.S., and J.D. degree from National Chung Cheng University; meanwhile, he is a certified public accountant with professional knowledge in accounting and law. He has over 40 years of experience in teaching and accounting currently as an adjunct professor of the Department of Accounting and Information Technology of National Chung Cheng University and Department of Accounting of Chinese Culture University, and as the director of Crown & Co., CPAs (Over 42 years of experience as a practicing accountant). He is qualified for his rich work experience in business and accounting, and as an adjunct professor in an academic department related to the business needs of the Company in a public or private junior college, college, or university. He is not under any of the circumstances set forth in Article 30 of the Company Act.
Sun Chin-Feng	Mr. Sun Chin Feng received an MBA degree from University of Michigan in the U.S. and has been the general manager of Kuo-Lien Venture Capital Investment and Management Consulting Co., Ltd for about 20 years. He has the work experience in venture capital and ability of macro-management and decision-making necessary for the business of the company. He is not under any of the circumstances set forth in Article 30 of the Company Act.

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors shall be stated. If a member of the Audit Committee has accounting or financial expertise, such member's accounting or financial background and work experience shall be stated. Matters with respect to Article 30 of the Company Act shall also be disclosed.

2. Information on independent directors' independence status:

Name	Independence status (Note 2)	Number of other public companies concurrently serves as independent director
Wu Tong-Shung	All independent directors meet the following conditions during the two years before being elected and during the term of office: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or its affiliates. (However, it is not applicable in the case of an independent director appointed concurrently by the Company and its parent company, a subsidiary, or a subsidiary of the same parent company in accordance with the Act or local laws.) (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, ranks as of its top five shareholders, or has representative director(s) serving on the Company's board based on paragraph 1 or paragraph 2, Article 27 of the Company Law. (However, it is not applicable in the case of an independent director appointed concurrently by the Company and its parent company, a subsidiary, or a subsidiary of the same parent company in accordance with the Act or local laws.) (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company. (However, it is not applicable in the case of an independent director appointed concurrently by the Company and its parent company, a subsidiary, or a subsidiary of the same parent company in accordance with the Act or local laws.) (7) Not the same person or spouse that designated as directors, supervisors or equivalent position of the Company, or as other company's chairman, general manager and employees. (However, it is not applicable in the case of an	None
Chang Jinn-Der		1

Sun Chin-Feng	independent director appointed concurrently by the Company and its parent company, a subsidiary, or a subsidiary of the same parent company in accordance with the Act or local laws.) (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company. (However, it is not applicable in cases where the specified company or institution holding more than 20% but less than 50% of total number of issued shares of the Company, and the person is an independent director of the parent company, any subsidiary, or subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.) (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an “audit service” or a “non-audit service which total compensation within the recent two years exceeds NT\$500,000.” Not applicable in cases where the person is member of Compensation Committee or, Public Tender Offer Committee, or Business Mergers and Acquisitions Committee, that exercise related regulations according to Securities and Exchange Act or M&A Act. (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. (11) Not under any of the circumstances set forth in Article 30 of the Company Act. (12) Not a government agent, juristic person or its representative as defined in Article 27 of the Company Act.	2
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Note 2: Independence status of an independent director shall be stated, which includes but is not limited to whether the independent director, his spouse, or relative within the second degree of kinship is a director, supervisor or employee of the Company or any of its affiliates; the number and percentage of the Company's shares held by the independent director, his or her spouse, relative within second degree of kinship (or held under others' names); whether he or she is a director, supervisor, or employee of a specified company or institution that has a relationship with the Company (referring to subparagraphs 5–8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); amount of compensation received for being a professional individual who provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.

3. Board diversity and Independence:

The Company promotes and respects the board diversity policy, so in accordance with Article 20 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies,” which stipulates that the composition of the board of directors shall be determined by taking diversity into consideration, and based on company’s business operations, operating dynamics, and development needs, it shall formulate the appropriate policy on diversity. In addition to that the number of directors concurrently serving as company officers shall not exceed one-third of the total number of the board members, the Company shall also include gender, age, nationality, professional knowledge and skills while determining the composition of the board of directors. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

(1) Ability to make operational judgments. (2) Ability to perform accounting and financial analysis. (3) Ability to conduct management administration. (4) Ability to conduct crisis management. (5) Knowledge of the industry. (6) An international market perspective. (7) Ability to lead. (8) Ability to make policy decisions.

The Company’s board of directors is composed of seven directors, including three independent directors, where the number of independent directors accounts for 43% of the total number of board members. The tenures of office of all independent directors are less than 9 years, and they all meet the requirements with regard to the independent directors set forth in relevant laws and regulations. There has not been any change of status between independent directors and non-independent directors during their term of office. Each director shall perform his or her duties objectively, and a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors in compliance with subparagraph 3, paragraph 3, Article 26 of the Securities and Exchange Act.

Currently, the company has only one female director seat, accounting for less than one-third of the total seats. This is primarily due to the difficulties in finding professionals with the necessary industrial background. In the future, suitable talent from various professions will be considered from all perspectives. Meanwhile, female director seats will be steadily increased during re-elections to further advance the goal of director gender diversity.

Implementation status is as follows:

Title	Name	Nation ality	Age	Gend er	Years of experience serving as an independent director		Diverse expertise							
					Less than 3 years	3–9 years	Ability to make operational judgments	Ability to perform accounting and financial analysis.	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry.	An international market perspective	Ability to lead.	Ability to make policy decisions.
Chairman	Wang Hong-Ren	R.O.C.	66–75 years old	Male	—		✓		✓	✓	✓	✓	✓	✓
Director	Liu Chung-Jen	R.O.C.	66–75 years old	Male	—		✓		✓	✓	✓	✓	✓	✓
Director	Wang Ming-Jen	R.O.C.	66–76 years old	Male	—		✓		✓	✓	✓	✓	✓	✓
Director	Wang Wen-Ling	R.O.C.	56–65 years old	Female	—		✓		✓	✓		✓	✓	✓
Independent Director	Wu Tong-Shung	R.O.C.	76–85 years old	Male		✓	✓	✓	✓	✓		✓	✓	✓
Independent Director	Chang Jinn-Der	R.O.C.	66–76 years old	Male		✓	✓	✓	✓	✓		✓	✓	✓
Independent Director	Sun Chin-Feng	R.O.C.	56–65 years old	Male		✓	✓	✓	✓	✓		✓	✓	✓

Specific goals and implementation status of board diversity policy:

Goals	Implementation status
Directors concurrently serving as company officers shall not exceed one-third of the total number of the board members	Achieved
There shall be at least one female board member.	Achieved
Directors shall not hold more than three consecutive terms of office.	Achieved
Number of independent directors shall not be less than one-fifth of the total number of the board members	Achieved

Two. Corporate Governance Report

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(II) Information on Company's General Manager, deputy general managers, assistant general managers 1.

Unit: Shares; April 19, 2026

Title	Name	Date assumed office	Gender	Nationality	Shareholding		Shares held by spouse and minor children		Shares held in the name(s) of others		Work (academic) experience (Note 2)	Post(s) concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managers			Remarks (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
General Manager	Huang Hua-Chih	2023.09.08	Male	Republic of China	0	0.00%	50,000	0.00%	0	0	Master's degree, National Taiwan University Chemical Research Institute	Director, Hua Ho Engineering Co., Ltd.	None	—	—	—
Factory Director	Chen Kun-Chin	2011.07.01	Male	Republic of China	1,617	0.00%	3,000	0.00%	0	0	Machinery major, Kaohsiung Institute of Technology	Director, Hua Ho Engineering Co., Ltd.	None	—	—	—
Deputy General Manager	Liu Hsiu-Mei	2023.09.08	Female	Republic of China	0	0	0	0	0	0	Long Island University Master of Accounting	Director, China Ecotek Corporation Director, Wafer Works Corporation Director, Co-Tech Development Corp. Director, Bionime Corporation Supervisor, Hua Ho Engineering Co., Ltd.	None	—	—	—
Accounting Manager	Wu Chia-Yu	2023.11.16	Female	Republic of China	0	0	0	0	0	0	Department of Accounting, Tunghai University Senior Manager, Audit Department, KPMG	First Copper Technology Co., Ltd. Accounting Supervisor Director, Pixon Technologies Corporation Director, International United Technology Co., Ltd.	None	—	—	—
Finance Manager	Hung Chueh-Chien	2021.08.16	Female	Republic of China	0	0	0	0	0	0	Economics, Continuing education, Feng Chia University	First Copper Technology Co., Ltd. Corporate Financial Manager	None	—	—	—
Corporate Governance Manager	Lu Hsiu-Ying	2021.08.16	Female	Republic of China	15	0.00%	0	0	0	0	Department of Business, National Open University	First Copper Technology Co., Ltd. Finance Manager	None	—	—	—

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Note 1: It should include the information on the general manager, deputy general managers, managers, and the officers of divisions and branches. Regardless of titles, all positions equivalent to the general manager, deputy general managers, or managers shall be disclosed.

Note 2: Experience related to the current position. If the person has worked for the Company's CPA firm or affiliates in the aforementioned period, please specify the title of the position and the duties performed.

Note 3: If the general manager or personnel with an equivalent position (top manager) and the Chairman are the same person, have a spouse relationship, or are relatives within one degree of kinship to the other, the reason, rationality, necessity, and corresponding measures (such as increasing the number of independent directors with a majority of the directors not serving as an employee or manager) should be disclosed.

II. Remuneration paid during the most recent fiscal year to directors, supervisors, the General Manager, and deputy general managers

(1) Remuneration to directors (including independent directors)

Units: NTD thousand, shares; Date: December 31, 2025

Units: NTD thousand, shares, Date: December 31, 2020																							
Title	Name	Director remuneration								Sum of A, B, C, and D and ratio of the sum to net profit after tax (Note 10)		Remuneration to directors who are employees								Ratio of sum of A, B, C, D, E, F, and G to profit after tax (Note 10)		Remuneration received from investees other than subsidiaries or from the parent company (Note 11)	
		Compensation (A) (Note 2)		Retirement pension (B)		Director remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)				Salaries, bonuses, special allowances, etc. (E) (Note 5)		Retirement pension (Note 6)		Employee remuneration (G) (Note 6)							
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements (Note 7)		
																Cash amount	Stock amount	Cash amount	Stock amount				
Director	First Copper Technology Co., Ltd. Representative: Wang Hong-Ren	7,284	9,367	0	0	1,000	1,007	120	245	8,404 0.36%	10,619 0.45%	0	0	0	0	0	0	0	0	8,404 0.36%	10,619 0.45%	0	
Director	First Copper Technology Co., Ltd. Representative: Wang Yu-Fa	0	0	0	0	0	0	15	15	15 0.00%	15 0.00%	0	0	0	0	0	0	0	0	15 0.00%	15 0.00%	0	
Director	Mei-Da Co., Ltd. Representative: Liu Chung-Jen (Note 12)	77	77	0	0	1,000	1,000	105	225	1,182 0.05%	1,302 0.06%	0	0	0	0	0	0	0	0	1,182 0.05%	1,302 0.06%	0	
Director	First Copper Technology Co., Ltd. Representative: Yang Ming-Shan	0	0	0	0	1,000	1,000	120	220	1,120 0.05%	1,220 0.05%	0	0	0	0	0	0	0	0	1,120 0.05%	1,220 0.05%	0	
	First Copper Technology Co., Ltd. Representative: Wang Ming-Ren (Note 12)	77	148	0	0	1,000	1,000	120	240	1,197 0.05%	1,388 0.06%	0	0	0	0	0	0	0	0	1,197 0.05%	1,388 0.06%	0	

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Title	Name	Director remuneration								Sum of A, B, C, and D and ratio of the sum to net profit after tax (Note 10)		Remuneration to directors who are employees								Ratio of sum of A, B, C, D, E, F, and G to profit after tax (Note 10)		Remuneration received from investees other than subsidiaries or from the parent company (Note 11)
		Compensation (A) (Note 2)		Retirement pension (B)		Director remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)				Salaries, bonuses, special allowances, etc. (E) (Note 5)		Retirement pension (Note 6)		Employee remuneration (G) (Note 6)						
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)			
Independent Director	Wu Tong-Shung	0	0	0	0	1,000	1,000	360	360	1,360 0.06%	1,360 0.06%	0	0	0	0	0	0	0	0	1,360 0.06%	1,360 0.06%	0
Independent Director	Chang Jinn-Der	0	0	0	0	1,000	1,000	360	360	1,360 0.06%	1,360 0.06%	0	0	0	0	0	0	0	0	1,360 0.06%	1,360 0.06%	0
Independent Director	Sun Chin-Feng	0	0	0	0	1,000	1,000	360	360	1,360 0.06%	1,360 0.06%	0	0	0	0	0	0	0	0	1,360 0.06%	1,360 0.06%	0

- Please describe the policy, system, standard and structure of remuneration payment for independent directors and specify the correlation between the remuneration and directors' responsibility, risk, and involvement:
 - To meet the needs of independent directors to execute their duties, the Board of Directors has approved a monthly payment to each independent director of a fixed amount of travel allowances for business execution.
 - If the Company makes a profit during the year, no more than 2% of the profit shall be allocated for director remuneration. However, the profit shall be first retained for the Company's accumulated losses, if any.
- In addition to disclosed above, compensation paid to directors for services provided, such as advisory service provided not as an employee to parent company/companies included in the financial statements/investees : None.

Range of Remuneration

Range of remuneration paid to each director of the Company	Name of director			
	Sum of the first 4 remuneration items (A+B+C+D)		Sum of the first 7 remuneration items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) I	The Company (Note 8)	All companies in the financial statements (Note 9) I
Less than NTD 1,000,000	Director: Mei-Da Co., Ltd. Representative: Wang Yu-Fa	Director: Mei-Da Co., Ltd. Representative: Wang Yu-Fa	Director: Mei-Da Co., Ltd. Representative: Wang Yu-Fa	Director: Mei-Da Co., Ltd. Representative: Wang Yu-Fa
NTD 1,000,000 (inclusive) ~ NTD 2,000,000 (exclusive)	Mei-Da Co., Ltd. Representative: Liu Chung-Jen Mei-Da Co., Ltd. Representative: Wang Wen-Ling First Copper Technology Co., Ltd. Representative: Wang Ming-Ren Independent Directors: Wu Tong-Shung, Chang Jinn-Der Sun Chin-Feng	Mei-Da Co., Ltd. Representative: Liu Chung-Jen Mei-Da Co., Ltd. Representative: Wang Wen-Ling First Copper Technology Co., Ltd. Representative: Wang Ming-Ren Independent Directors: Wu Tong-Shung, Chang Jinn-Der Sun Chin-Feng	Mei-Da Co., Ltd. Representative: Liu Chung-Jen Mei-Da Co., Ltd. Representative: Wang Wen-Ling First Copper Technology Co., Ltd. Representative: Wang Ming-Ren Independent Directors: Wu Tong-Shung, Chang Jinn-Der Sun Chin-Feng	Mei-Da Co., Ltd. Representative: Liu Chung-Jen Mei-Da Co., Ltd. Representative: Wang Wen-Ling First Copper Technology Co., Ltd. Representative: Wang Ming-Ren Independent Directors: Wu Tong-Shung, Chang Jinn-Der Sun Chin-Feng
NTD 2,000,000 (inclusive) ~ NTD 3,500,000 (exclusive)				
NTD 3,500,000 (inclusive) ~ NTD 5,000,000 (exclusive)				
NTD 5,000,000 (inclusive) ~ NTD 10,000,000 (exclusive)	First Copper Technology Co., Ltd. Representative: Wang Hong-Ren		First Copper Technology Co., Ltd. Representative: Wang Hong-Ren	
NTD 10,000,000 (inclusive) ~ NTD 15,000,000 (exclusive)		First Copper Technology Co., Ltd. Representative: Wang Hong-Ren		First Copper Technology Co., Ltd. Representative: Wang Hong-Ren
NTD 15,000,000 (inclusive) ~ NTD 30,000,000 (exclusive)				

NTD 30,000,000 (inclusive) ~ NTD 50,000,000 (exclusive)				
NTD 50,000,000 (inclusive) ~ NTD 100,000,000 (exclusive)				
Over NTD 100,000,000				
Total	8	8	8	8

Note 1: The names of directors should be listed separately. (For corporate shareholders, the names of the corporations and their representatives should be listed separately.) In addition, directors and independent directors should also be indicated separately with disclosure of the aggregate of payments. If a director concurrently serves as the general manager or a deputy general manager, please fill in this form and the following table (3).

Note 2: It refers to the remuneration (including salaries, responsibility allowances, severance pay, bonuses and incentives) to directors in the most recent year.

Note 3: It refers to the amount of remuneration to directors resolved and distributed by the Board of Directors in the most recent year.

Note 4: It refers to directors' business execution expenses (including traveling allowance, special allowances, allowances, dormitory, vehicles, etc.) in the most recent year. When providing housing, cars, and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, and the actual or fair market price of rent, cost of petrol, and other payments should be disclosed. In addition, if a personal driver is allocated, please note the relevant remuneration paid by the Company to the driver; but this is not included in the remuneration.

Note 5: It refers to the remuneration that a director receives for concurrently serving as an employee (including the general manager, deputy general manager, and other managers and employees) in the most recent year, such as salaries, responsibility allowances, severance pay, bonuses, incentives, travel allowance, special allowances, allowances, dormitory and vehicles. When providing housing, cars, and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, and the actual or fair market price of rent, cost of petrol, and other payments should be disclosed. In addition, if a personal driver is allocated, please note the relevant remuneration paid by the Company to the driver; but this is not included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share Based Payments" should also be included in the remuneration, including employee stock option certificates, new restricted employee shares, and subscription of shares for capital increase by cash, etc..

Note 6: It refers to employee remuneration to directors concurrently serving as employees (including the general manager, deputy general managers, and other managers and employees) in the most recent year. The remuneration amount resolved by the Board of Directors for distribution in the most recent year should be disclosed. If the amount cannot be estimated, the amount for distribution this year shall be calculated based on the actual distribution percentage in last year, and Table (4) shall be filled in.

Note 7: The total amount of remuneration paid to the Company's directors by all the companies (including the Company) in the consolidated financial statements should be disclosed.

Note 8: The name of each director should be disclosed in the corresponding remuneration range based on the total amount of remuneration paid to him/her.

Note 9: The total amount of remuneration paid to each of the Company's directors by all the companies (including the Company) in the consolidated financial statements shall be disclosed, and the name of each director shall be disclosed in the corresponding remuneration range.

Note 10: Profit after tax refers to the profit after tax stated in the separate or individual financial statements in the most recent year.

Note 11: a. This column should be clearly filled in with the amount of relevant remuneration received by the directors of the Company from investees other than subsidiaries or from the parent company. (If none, please fill in the column with a “none”.)

b. If the directors of the Company receive relevant remuneration from investees other than subsidiaries or from the parent company, the remuneration received by the directors from the investees other than subsidiaries or from the parent company shall be included in column I of the range of remuneration, and the name of the column shall be changed into “or parent company and all investees.”

c. Remuneration refers to remuneration, compensation (including remuneration to employees, directors, and supervisors), and business execution expenses that the directors of the Company receive for serving as the directors, supervisors, or managers of investees other than subsidiaries or of the parent company.

Note 12: The former representative of Mei-Da Co., Ltd., Wang Yu-Fa, was replaced by Liu Chung-Jen as the representative on February 18, 2025.

* The remuneration disclosed in the table is different from the income defined in the Income Tax Act. As such, the purpose of this table is for disclosure of information and not for taxation purpose.

(2) Supervisor remuneration: Not applicable. The Company established the Audit Committee to replace supervisors after the re-election of directors and supervisors at the shareholders’ meeting on June 30, 2017.

(3) Remuneration to general manager and deputy general managers

Units: NTD thousand, shares; Date: December 31, 2025

Units: NTD thousand, Shares, Date: December 31, 2023

Title	Name	Salary (A) (Note 2)		Retirement pension (B)		bonuses, and special allowances, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				Sum of A, B, C, and D and ratio of the sum to net profit after tax (%) (Note 6)		Remuneration received from investees other than subsidiaries or from the parent company (Note 7)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Huang Hua-Chih	1,790	1,790	104	104	1,790	1,795	501	0	501	0	4,185 0.18%	4,190 0.18%	0
Factory Director	Chen Kun-Chin	1,604	1,604	95	95	1,423	1,423	448	0	448	0	3,570 0.15%	3,570 0.15%	0
Deputy General Manager	Liu Hsiu-Mei	1,492	1,492	88	88	1,374	1,379	417	0	417	0	3,371 0.14%	3,376 0.14%	0

* Regardless of titles, all positions equivalent to the general manager or deputy general managers (for example: president, CEO, director, etc.) should be disclosed.

Range of remuneration paid to the general manager and deputy general managers	Range of Remuneration	
	Name of the general manager and deputy general managers	
	The Company (Note 7)	All companies in the financial statements (Note 8) E
Less than NTD 1,000,000		
NTD 1,000,000 (inclusive) ~ NTD 2,000,000 (exclusive)		
NTD 2,000,000 (inclusive) ~ NTD 3,500,000 (exclusive)	Liu Hsiu-Mei	Liu Hsiu-Mei
NTD 3,500,000 (inclusive) ~ NTD 5,000,000 (exclusive)	Huang Hua-Chih, Chen Kun-Chin	Huang Hua-Chih, Chen Kun-Chin
NTD 5,000,000 (inclusive) ~ NTD 10,000,000 (exclusive)		
NTD 10,000,000 (inclusive) ~ NTD 15,000,000 (exclusive)		
NTD 15,000,000 (inclusive) ~ NTD 30,000,000 (exclusive)		
NTD 30,000,000 (inclusive) ~ NTD 50,000,000 (exclusive)		
NTD 50,000,000 (inclusive) ~ NTD 100,000,000 (exclusive)		
Over NTD 100,000,000		
Total	3	3

Note 1: The names of the general manager and deputy general managers shall be listed separately with disclosure of the aggregate of payments. If a director is also the general manager or a deputy general manager, please fill in this form and the above table (1-1) or (1-2).

Note 2: It refers to the salaries, responsibility allowances, and severance pay for the general manager and deputy general managers in the most recent year.

Note 3: It refers to bonuses, incentives, travel allowance, special allowances, allowances, dormitory, vehicles, and other remuneration provided to the general manager and deputy general managers in the most recent year. When providing housing, cars, and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, and the actual or fair market price of rent, cost of petrol, and other payments should be disclosed. In addition, if a personal driver is allocated, please note the relevant remuneration paid by the Company to the driver; but this is not included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 “Share Based Payments” should also be included in the remuneration, including employee stock option certificates, new restricted employee shares, and subscription of shares for capital increase by cash, etc..

- Note 4: It refers to employee remuneration (including stocks and cash) to the general manager and deputy general managers resolved by the Board of Directors for distribution in the most recent year. If the amount cannot be estimated, the amount for distribution this year shall be calculated based on the actual distribution percentage in last year, and Table (4) shall be filled in.
- Note 5: The total amount of remuneration paid by all companies (including the Company) in the consolidated financial statements to the Company's general manager and deputy general managers should be disclosed.
- Note 6: The name of the general manager and each deputy general manager should be disclosed in the corresponding remuneration range based on the total amount of remuneration paid to him/her.
- Note 7: The total amount of remuneration paid by all companies (including the Company) in the consolidated financial statements to the general manager and each deputy general manager of the Company shall be disclosed, and the names of the general manager and deputy general managers shall be disclosed in the corresponding remuneration range.
- Note 8: Profit after tax refers to the profit after tax stated in the separate or individual financial statements in the most recent year.
- Note 9: a. This column should be clearly filled in with the amount of relevant remuneration received by the general manager and deputy general managers of the Company from investees other than subsidiaries or from the parent company.
- b. If the general manager and deputy general managers of the Company receive relevant remuneration from investees other than subsidiaries or from the parent company, the remuneration received by the general manager and deputy general managers from the investees other than subsidiaries or from the parent company shall be included in column E of the range of remuneration, and the name of the column shall be changed into "Parent company and all investees."
- c. Remuneration refers to remuneration, compensation (including remuneration to employees, directors, and supervisors), and business execution expenses that the general manager and deputy general managers of the Company receive for serving as the directors, supervisors, or managers of investees other than subsidiaries or of the parent company.
- * The remuneration disclosed in the table is different from the income defined in the Income Tax Act. As such, the purpose of this table is for disclosure of information and not for taxation purpose.

(4) Remuneration to the top five management (individual disclosure of names and remuneration) (Note 1)

Units: NTD thousand, shares; Date: December 31, 2025

Unit: NT\$ thousand, share, Euro, December 31, 2023

Title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses and special expenses (C) (Note 3)		Employee remuneration (D) (Note 4)				Sum of A, B, C, and D and ratio of the sum to net profit after tax (%) (Note 6)		Remuneration received from investees other than subsidiaries or from the parent company (Note 7)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Huang Hua-Chih	1,790	1,790	104	104	1,790	1,795	501	0	501	0	4,185 0.18%	4,190 0.18%	0
Foreman	Chen Kun-Chin	1,604	1,604	95	95	1,423	1,423	448	0	448	0	3,570 0.15%	3,570 0.15%	0
Deputy General Manager	Liu Hsiu-Mei	1,492	1,492	88	88	1,374	1,379	417	0	417	0	3,371 0.14%	3,376 0.14%	0
Deputy Foreman	Li Hsien-Chang	1,277	1,277	73	73	1,210	1,210	357	0	357	0	2,917 0.12%	2,917 0.12%	0
Manager	Wang Yun-Ming	1,268	1,268	76	76	999	999	355	0	355	0	2,698 0.12%	2,698 0.12%	0

Note 1: The said “top five management” refers to the Company's managers. The definition of the managers falls within the scope of “managerial officers” as stipulated in the Letter Tai-Cai-Zheng(3) 0920001301 dated March 27, 2003, issued by the former Securities and Futures Commission, Ministry of Finance. The remuneration to the top five management is calculated based on the sum of the salaries, retirement pensions, bonuses, and special allowances that the Company's managers receive from all companies in the consolidated financial statements, as well as the total amount of employee compensation (that is, the sum of A+B+C+D), and then ranked by the highest paid managers. If a director concurrently serves as a manager mentioned above, this table and the above table (1-1) should be filled out.

Note 2: It refers to salaries, responsibility allowances, and severance pay for the top five management in the most recent year.

Note 3: It refers to bonuses, incentives, travel allowance, special allowances, allowances, dormitory, vehicles, and other remuneration provided to the top five management in the most recent year. When providing housing, cars, and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, and the actual or fair market price of rent, cost of petrol, and other payments should be disclosed. In addition, if a personal driver is allocated, please note the relevant remuneration paid by the Company to the driver; but this is not included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 “Share Based Payments” should also be

included in the remuneration, including employee stock option certificates, new restricted employee shares, and subscription of shares for capital increase by cash, etc..

Note 4: It refers to employee remuneration (including stocks and cash) to the top five management resolved by the Board of Directors for distribution in the most recent year. If the amount cannot be estimated, the amount for distribution this year shall be calculated based on the actual distribution percentage in last year, and Table (5) shall be filled in.

Note 5: The total amount of remuneration paid by all companies (including the Company) in the consolidated financial statements to the top five management of the Company shall be disclosed

Note 6: Profit after tax refers to the profit after tax stated in the separate or individual financial statements in the most recent year.

Note 7: a. This column should be clearly filled in with the amount of relevant remuneration received by the top five management of the Company from investees other than subsidiaries or from the parent company. (If none, please fill in the column with a “none”.)

b. Remuneration refers to remuneration, compensation (including remuneration to employees, directors, and supervisors), and business execution expenses that the top five management of the Company receive for serving as the directors, supervisors, or managers of investees other than subsidiaries or of the parent company.

* The remuneration disclosed in the table is different from the income defined in the Income Tax Act. As such, the purpose of this table is for disclosure of information and not for taxation purpose.

(5) Names of managers entitled to employee remuneration and the amount distributed

Units: NTD thousand, shares; Date: December 31, 2025

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Ratio of total amount to profit after tax (%)
Manager	General Manager	Huang Hua-Chih	0	2,500	2,500	0.11%
	Factory Director	Chen Kun-Chin				
	Deputy General Manager	Liu Hsiu-Mei				
	Deputy Factory Director	Li Hsien-Chang				
	Accounting Manager	Wu Chia-Yu				
	Finance Manager	Hung Chueh-Chien				
	Corporate Governance Manager	Lu Hsiu-Ying				

Note 1: Their names and titles should be disclosed individually, and profit distribution may be disclosed in aggregate.

Note 2: It refers to employee remuneration (including stocks and cash) to managers resolved by the Board of Directors for distribution in the most recent year. If the amount cannot be estimated, the amount for distribution this year shall be calculated based on the actual distribution percentage in last year. Profit after tax refers to the profit after tax in the most recent year; if IFRSs have been adopted, profit after tax refers to the profit after tax stated in the separate or individual financial statements in the most recent year.

Note 3: Pursuant to FSC Letter Tai-Cai-Zheng (3) No. 0920001301 dated March 27, 2003, managerial officers are defined as follows:

- (1) General manager and equivalent
- (2) Deputy general manager and equivalent
- (3) Associate manager and equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Others who have the right to manage affairs and sign for the Company

Note 4: If directors, the general manager, and deputy general managers receive employee compensation (including stocks and cash), in addition to Table (1), this table should also be filled out.

- (6) Comparison and analysis of the ratio of total remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, general manager, and deputy general managers to the profit after tax stated in the separate financial statements, and explanation of the policy, standard and package for remuneration payment, the procedures for remuneration determination, and their correlation with business performance and future risks.

Title	2025		2024	
	Ratio of total remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, general manager, and deputy general managers to the profit after tax stated in the separate financial statements		Ratio of total remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, general manager, and deputy general managers to the profit after tax stated in the separate financial statements	
	The Company	All companies in consolidated statements (including the Company)	The Company	All companies in consolidated statements (including the Company)
Director	0.69%	0.80%	1.39%	1.67%
Supervisor	Not applicable	Not applicable	Not applicable	Not applicable
General manager and deputy general managers	0.47%	0.47%	1.24%	1.24%

Explanation:

1. Directors' remuneration comprises remuneration, transportation allowances, and compensation. In accordance with the customary standard of relevant peers and in comparison to the business scale, Article 20 of the Articles of Association establishes reasonable criteria for chairmen's remuneration. The salaries of the remaining directors are not to be claimed. Transportation allowance is a reimbursement for business-related expenses that is determined by the extent of participation of each director in the company's operations (such as serving as members in other functional committees). Directors' remuneration and transportation allowance will be paid in accordance with the general provisions, regardless of the company's profit or loss. The directors' remuneration is determined by the company's remuneration philosophy and the peer standard, as explicitly stated in Article 42 of the Articles of Association. A directors' remuneration of no more than 2% will be allocated if the company has achieved profits, taking into account the company's operational performance, net income, and the ratios established in the company's Articles of Association for the current year. The distribution of directors' remuneration is determined by the results of the directors' performance assessment (such as attendance and participation, level of operational participation, and continuing education).
2. Managers' remuneration comprises of salary and employee bonuses, and employee compensation. These payments are subject to the company's salary standards, guidelines governing employee bonuses, and guidelines governing employees' remuneration. The manager salary package consists of a basic salary, efficiency allowance, sustenance allowance, supervisory allowance, and transportation allowance. Employee compensation is outlined in Article 42 of the Articles of Association. The total amount distributed to all employees shall not exceed 3% of the company's profit, provided that the company has generated a profit. In accordance with the guidelines governing the company's performance assessment management operations, employees' bonuses and remuneration will be incorporated into the personal performance, personal goal achievement rate, responsibility level, company contribution, and the company's business profit achievement rate. These will be used as references for remuneration payment. As a result, the distribution of managers' remuneration is directly affected by the company's operational performance.
3. The directors' remuneration and employees' compensation allocation ratios and amounts will be approved following a review by the Remuneration Committee and a board resolution, which will be reported at the shareholders' meeting.
4. The company's Remuneration Committee has agreed to keep the current guidelines governing directors' remuneration distribution criteria, managers' salaries, employees' bonuses, and employees' compensation.

III. The State of the Company's Implementation of Corporate Governance

(I) Operation of the Board of Directors:

(1) Information on the operation of the Board of Directors

The Board of Directors held 4 (A) meetings in the most recent year, and directors' attendance is shown as follows:

Title	Name (Note 1)	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) [B/A] (Note 2)	Remarks
Chairman	First Copper Technology Co., Ltd. Representative: Wang Hong-Ren	4	0	100.00%	
Director	Mei-Da Co., Ltd. Representative: Liu Chung-Jen	4	0	100.00%	
Director	Mei-Da Co., Ltd. Representative: Wang Wen-Ling	4	0	100.00%	
Director	First Copper Technology Co., Ltd. Representative: Wang Ming-Ren	4	0	100.00%	
Independent Director	Wu Tong-Shung	4	0	100.00%	
Independent Director	Chang Jinn-Der	4	0	100.00%	
Independent Director	Sun Chin-Feng	4	0	100.00%	

Other matters:

I. The board meeting date, session, proposal content, all independent directors' opinions, and the Company's actions in response to the independent directors' opinions shall be specified if any of the following occurred:

(1) Matters specified in Article 14-3 of the Securities and Exchange Act:

9th meeting of the 25th Board on March 3, 2025

Approved the motion for the "Statement of Internal Control Systems" for 2024.

Approved the motion for CPA appointment and remuneration for 2025.

11th meeting of the 25th Board on August 4, 2025:

Approved the motion for amendment to the Company's "Internal Control System for Stock Operations".

Approved the motion for review of various remunerations for the Company's directors.

The above motions were approved by all independent directors unanimously.

(II) In addition to the aforementioned matters, any resolution made by the Board of Directors with any objection or reservation raised by independent directors and included in records or stated in writing: None.

II. Implementation of directors' recusal from proposals due to conflicts of interest:

There was no such situation in the Board of Directors in 2025.

III. Information on the cycle and period, scope, method and content of the self-evaluation (or peer evaluation) of the Board of Directors to be disclosed by TWSE/TPEX listed companies:

Report on the performance evaluation of the Board of Directors, individual directors and functional committees

Cycle (Note 3)	Period (Note 4)	Scope (Note 5)	Method (Note 6)	Content (Note 7)
Once a year	2025.1.1.~ 2025.12.31	Evaluation of the Board of Directors' overall performance	Internal self-evaluation of the Board of Directors (conducted by the agenda working group of the Board of Directors)	Five dimensions are as follows: Involvement in the Company's operation Improvement of the quality of decision-making by the Board of Directors Formation and structure of the Board of Directors Election and continuing education of directors Internal control
		Evaluation of individual board members' performance	(conducted by the board members)	Six dimensions are as follows: Understanding of the Company's goals and tasks Knowledge of directors' duties Involvement in the Company's operation Internal relation maintenance and communication Directors' professional qualification and continuing education Internal control
		Audit Committee's performance evaluation	Internal self-evaluation of functional committees	Five dimensions are as follows: Involvement in the Company's operation Knowledge of the responsibilities of functional committees.
		Remuneration Committee's performance evaluation	(conducted by the agenda working group of functional committees)	Improvement of the quality of decision-making by functional committees. Formation and member election of functional committees. Internal control

The Company completed the 2025 board performance evaluation through self-assessment surveys via questionnaire. The surveys were collected and counted by the agenda working group, and the

assessment result was subsequently submitted to the first board of directors meeting in 2026 as a reference for further review and improvement. The overall average score for the board performance self-assessment was 4.84 out of 5, and the average score for individual board member performance was 4.83 out of 5. The overall functioning of the Board of Directors is good. Directors fulfill their responsibilities properly. The average score for the self-assessment of Remuneration Committee and Audit Committee was 4.89 and 4.86 out of 5, demonstrating the solid operation of Remuneration Committee and Audit Committee and full implementation of corporate governance that improves the board competency.

IV. Evaluation of objectives and implementation in respect of strengthening the functionality of the Board of Directors in the current and most recent year:

1. The Company's Board of Directors hold at least a meeting per quarter. Each director has professional knowledge, professional skills, and competence required to execute their duties, perform functions and powers in accordance with laws and regulations, the Company's Articles of Incorporation and shareholders' meeting resolutions, provide operating policy, financial planning, and professional technology, and offer effective and specific advice and consultation on business development. If a director or a juristic person that the director represents is an interested party in relation to a proposal and the relationship is likely to prejudice the interest of the Company, the director may not participate in the discussion or voting on such proposal and shall recuse himself/herself from the discussion and voting.
2. The Company has established the "Rules of Procedure for Board of Directors Meetings" based on the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies." Furthermore, directors' attendance at board meetings is entered into the Market Observation Post System and major resolutions made by the Board of Directors are disclosed on the Company's website.
3. In order to encourage directors' continuing education, we provides our directors with courses for them to improve their executive competencies and to meet the requirements of directors' training hours.
4. In accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or Taipei Exchange", the Company has set up the Remuneration Committee and established the "Remuneration Committee Charter". Furthermore, three Remuneration Committee members were appointed to perform remuneration functions and submit their suggestions to the Board of Directors for discussion to implement corporate governance. Their attendances at Remuneration Committee meetings have been entered into in the Market Observation Post System.
5. To improve corporate governance and strengthen the functions of the Board of Directors, we set up the Audit Committee in compliance with the Securities and Exchange Act and the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies" in 2017 and established the Audit Committee Charter.
The Audit Committee comprises all (3) independent directors, and at least one of whom should have accounting or financial expertise. The Committee shall assist the Board of Directors in performing supervisory duties and be responsible for proper presentation of the Company's financial statements, selection (dismissal) of CPAs and assessment of their independence and performance, effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, and control of existing or potential risks faced by the Company. In addition, the Committee shall also submitted

- proposals to the Board of Directors for resolution to implement corporate governance.
6. The Company has taken out liability insurance for directors every year starting from 2019.
 7. The Company conducts the performance evaluation of the board of directors and functional committees once a year on a regular basis according to the Company's "Self-Evaluation or Peer Evaluation of the Board of Directors" approved and established by the Board. The 2025 evaluation result was submitted to the first meeting of the board of directors meeting in 2026.

Note 1: Where directors and supervisors are juristic persons, the names of corporate shareholders and their representatives shall be disclosed.

Note 2: (1) If a director or supervisor resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors during his/her term of service and the actual attendance.

- (2) If a re-election of directors or supervisors takes place prior to the end of the year, the newly-elected and former directors or supervisors shall be listed, and it shall indicated in the remarks column whether the directors or supervisors are former, newly elected, or reelected, and the day of the re-election shall also be specified. The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors during the term of service and the actual attendance.

Note 3: It refers to the cycle for carrying out the Board of Directors' evaluation, for example: once a year.

Note 4: It refers to the period covered by the Board of Directors' evaluation. The Company implemented the evaluation for the Board of Directors' performance during January 1, 2019 and December 31, 2019.

Note 5: The scope covers the performance evaluation of the Board of Directors, individual directors and functional committees.

Note 6: Evaluation methods include internal self-evaluation of the Board of Directors, self-evaluation and peer evaluation of board members, appointment of external professional institutions or experts, or other appropriate methods.

Note 7: Evaluation contents shall include at least the following items according to the evaluation scope:

- (1) Items of the performance evaluation of the Board of Directors: shall include at least the participation in the Company's operation, the Board of Directors' decision quality, formation and structure of the Board of Directors, election and continuing education of directors, and internal control.
- (2) Items of the performance evaluation of individual directors: shall include at least the understanding of the Company's goals and tasks, knowledge of directors' duties, involvement in the Company's operation, internal relation maintenance and communication, directors' professional qualification and continuing education, and internal control.
- (3) Items of the performance evaluation of functional committees: Involvement in the Company's operation, knowledge of functional committees' duties, functional committees' decision quality, formation and member selection of functional committees, and internal control.

(II) Operation of the Audit Committee

The Company's Audit Committee was formed by the three independent directors in assistance of the board of directors performing its duties in supervising the Company's implementation of accounting, audit and financial reporting procedures, and quality and integrity of financial control. Members' expertise and experience may be found on page 12-13.

The Audit Committee held 4 meetings (A). Independent directors' attendance is shown as follows:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Independent Director	Wu Tong-Shung	4	0	100%	
Independent Director	Chang Jinn-Der	4	0	100%	
Independent Director	Sun Chin-Feng	4	0	100%	

Other particulars:

I. The Audit Committee meeting date, session, proposal content, content of any objection, reservation or major suggestion expressed by independent directors, the results of the Audit Committee's resolutions, and the Company's actions in response to the Audit Committees' opinions shall be specified if any of the following occurred:

(I) Matters listed in Article 14-5 of the Securities and Exchange Act.

Date and session	Proposal	Audit Committee's resolution	Company's response to Audit Committee's opinions
March 3, 2025 3rd Board 7th meeting	1. Motion for 2024 business report, parent company only financial statements and consolidated financial statements. 2. Motion for issuance of 2024 "Internal Control System Statement." 3. Motion for CPA appointment and remuneration for 2025.	Passed unanimously by all attending members following consultation by the chair.	Passed unanimously by all attending directors following consultation by the chair.
August 4, 2025 3rd Board 9th meeting	1. Motion for the Company's consolidated financial statements for Q2 2025. 2. Amendment to "Internal Control System for Stock Operations."	Passed unanimously by all attending members following consultation by the chair.	Passed unanimously by all attending directors following consultation by the chair.

Any objection, reservation or major suggestion expressed by independent directors for the proposal content: None.

Primary matters for review included:

- * Establishment or amendment of the Company's internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- * Evaluation of the effectiveness of the internal control system.
- * Annual financial statements and Q2 financial statements required to be audited by CPA.
- * Other important matters specified by the Company or the competent authority.

(II) Other than those described above, any matters unapproved by the Audit Committee and passed by more than two-thirds of all directors: None.

II. For implementation of independent directors' recusal from proposals due to conflicts of interest, the name of the independent director, the content of the proposal, the reasons for recusal, and his/her participation in the voting process shall be specified: None.

III. Communication of independent directors with the chief internal auditor and CPAs (e.g. the major issues, methods, and results of communication with regard to the financial and business performance of the Company).

(1) Method of communication of independent directors with the chief internal auditor and CPAs:

1. Internal audit directors' discussions of internal audit systems and amendments of relevant laws and regulations with independent directors in Audit Committee and at communication workshops. The chief internal auditor discusses with independent directors in the Audit Committee meetings the relevant internal control systems and the amendments to related laws and regulations. The internal audit personnel will send the monthly approved audit report to the independent directors for their reference, and the chief internal auditor also reports in the Board of Directors' meeting; therefore, it can be concluded that the implementation status and result of internal audit have been fully communicated. The independent directors may, when it is deemed necessary, directly communicate and inquire with the chief internal auditor via phone or e-mail, or face-to-face.
2. Independent directors' communication with certified public accountants during Audit Remuneration meetings and at communication workshops; Independent directors communicate with CPAs in the Audit Committee's meetings; CPAs would submit a comprehensive written report with respect to the audit or review result of financial statements and proposed audit or review opinions and explain to independent directors. Matters including 1. Declaration of independence; 2. Audit (Review) personnel's responsibilities in the audit (review) of financial statements; 3. Type of audit opinions (review conclusions) issued; 4. Audit (review) scope; 5. Audit (review) findings; 6. Other matters of attention; 7. Annual audit plan; 8. Important updates of laws and regulations are subsequently discussed in the said meetings where accounting manager attends and provides relevant information. The independent directors may, when it is deemed necessary, directly communicate and inquire with CPAs via phone or e-mail, or face-to-face.
3. Communication frequency: At least once Audit Committee meeting each quarter and at least one communication workshop each year for independent directors, audit directors and certified public accountants to communicate.

(II) The frequency and nature of communications between Independent Directors and chief internal auditor at the Board meetings, Audit Committee meetings, and communication seminars are as follows:

Date	Focus of communication	Implementation result
March 3, 2025	1. Audit work report from October 2024 to January 2025 2. Completion of 2024 internal control self-evaluation and issuance of "Statement of Internal Control System" for 2024	Regarding document review and report to the Board, Independent Directors' status for audits: Acknowledged After being reviewed and approved by the Audit Committee, it was submitted to the Board for resolution.
May 5, 2025	1. Audit work report from February to March 2025	Regarding document review and report to the Board, Independent Directors' status for audits: Acknowledged
August 4, 2025	1. Audit work report from April to June 2025 2. Amended the "internal control system for stock affairs"	Regarding document review and report to the Board, Independent Directors' status for audits: Acknowledged After being reviewed and approved by the Audit Committee, it was submitted to the Board for resolution.
November 3, 2025	1. Audit work report from July to September 2025 2. 2026 Annual Audit Plan	Regarding document review and report to the Board, Independent Directors' status for audits: Acknowledged After being reviewed and approved by the Audit Committee, it was submitted to the Board for resolution.
November 4, 2025 Communication workshop	1. 2025 Audit Work Report 2. The Sustainability Report has been completed and disclosed on the Company's website. 3. The greenhouse gas inventory work plan and progress are being managed according to schedule.	Report on the implementation of the annual audit by auditors Audit personnel reported that the sustainability report has been completed and disclosed on the Company's website. Audit personnel reported on the greenhouse gas inventory work plan and progress, and it is disclosed on the Company's website.

(III) The frequency and nature of communication between Independent Directors and chief internal auditor at the Board meetings, Audit Committee meetings, and communication seminars are as follows:

Date	Focus of communication	Implementation result
March 3, 2025	1. Communicated and discussed matters related to the 2024 financial statements of the Company 2. The CPA provided and explained the “Audit Quality Index (AQI)” 3. Evaluation of the independence and suitability of the Company’s CPAs for financial statements	After being reviewed and approved by the Audit Committee, it was submitted to the Board for resolution. CPAs completed the “Audit Quality Indicator (AQI)” for the Audit Committee, to evaluate the appointment of CPAs for 2025 financial statements After being reviewed and approved by the Audit Committee, it was submitted to the Board for resolution.
May 5, 2025	1. Communicated and discussed matters related to the Company’s Q1 financial statements in 2025	After being reviewed and approved by the Audit Committee, it was submitted to the Board for resolution.
August 4, 2025	1. Communicated and discussed matters related to the Company’s Q2 financial statements in 2025	After being reviewed and approved by the Audit Committee, it was submitted to the Board for resolution.
November 3, 2025	1. Communicated and discussed matters related to the Company’s Q3 financial statements in 2025	After being reviewed and approved by the Audit Committee, it was submitted to the Board for resolution.
November 4, 2025 Communication workshop	1. CPAs reported the annual audit plan	Report on the details of the CPAs’ annual audit and key points

Note 1: If an independent director resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings during his/her term of service and the actual attendance.

Note 2: If a re-election of independent directors takes place prior to the end of the year, the newly-elected and former independent directors shall be listed, and it shall indicated in the remarks column whether the independent directors are former, newly elected, or reelected, and the day of the re-election shall also be specified. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings during the term of service and the actual attendance.

(III) Implementation of corporate governance, and any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company establish and disclose its practice principles for corporate governance in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company resolved at the board meeting on November 5, 2018 to establish the “Practice Principles for Corporate Governance” and disclose the same on the reporting website designated by the securities competent authority.	We are in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The contents are revised slightly according to the Company’s practice; however, our practice principles for corporate governance are consistent with the said Principles.
II. Equity structure and shareholders’ equity				
(I) Does the Company have internal operating procedures in place to deal with shareholders’ suggestions, doubts, disputes and litigation matters and implement the procedures?	✓		(I) We have appointed a spokesperson and deputy spokesperson to deal with shareholders’ suggestions or disputes and provided contact information for stakeholders on the Company's website.	We are in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the Company have a list of major shareholders who actually control the Company and the persons who have ultimate control over the major shareholders?	✓		(II) We have a list of the Company’s major shareholders and their ultimate controllers and report any update on the list in accordance with laws and regulations.	We are in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(III) Does the Company establish or implement any risk control measures and firewall	✓		(III) After approval by the company's board of directors and reporting to the shareholders'	We are in compliance with the Corporate Governance

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Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
mechanisms between the Company and its affiliates? (IV) Does the Company have internal regulations to prohibit the insiders of the Company from using undisclosed information in the market to trade securities?	✓		meeting, the company has implemented policies prohibiting "endorsements and guarantees for others" and "lending funds to others." Additionally, it has established "supervision regulations for subsidiaries", "management of related-party transactions", and "asset acquisition or disposal procedures" to build a risk control mechanism for affiliated enterprises. (IV) The Company has established Management Guidelines on Prevention of Insider Trading. Directors, managers and relevant personnel attend external training each year. The shareholders' service division also organizes workshops on laws and regulations for prevention of insider trading to explain to relevant personnel what constitutes insider trading. Laws and regulators are analyzed and case studies are provided on the prohibition of insider trading. The purpose is to strengthen the awareness of relevant personnel in prevention of insider trading and establish effective control procedures and prevention measures and robust corporate governance.	Best Practice Principles for TWSE/TPEX Listed Companies. We are in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
III. Formation and responsibilities of the Board of Directors (I) Does the Board of Directors establish a diversity policy, set specific goals, and implement them accordingly?	✓		(I) According to the diversity policy of the Company's "Corporate Governance Best Practice Principles ", all board members possess the necessary knowledge, skills, and competence required to perform their duties. Through directors' various professional leadership,	We are in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

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Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(II) In addition to establishing the Remuneration Committee and Audit Committee pursuant to laws, does the Company voluntarily set up other functional committees?		✓	decision-making ability, management ability, and financial and accounting knowledge, we able to diversify the formation of the Board of Directors and enhance the structure thereof. For more information, please refer to p. 16. (II) The Company resolved at the board meeting on December 5, 2011, to establish the Remuneration Committee and resolved at the shareholders' meeting held on June 30, 2017 to set up the Audit Committee. We have not established any functional committees other than the said committees.	There is no material difference with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies; in the future, the Company will continue to comply with relevant laws and regulations for discussion. We are in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(III) Does the Company establish policies and methods for evaluating the performance of the Board of Directors, conduct regular performance evaluations every year and report the results to the Board of Directors? Does the Company utilize the results as the reference for the individual remuneration and reelection nomination of directors?	✓		(III) The Company formulated regulations methods for evaluating the performance of the Board of Directors on March 23, 2020. The performance evaluation will be completed by the end of the first quarter in next year. The result of the performance evaluation of the Board of Directors in 2025 was reported to the Board of Directors on March 9, 2026, please refer to page 35. The Remuneration Committee of the Company periodically reviews the policies, systems, standards, and structure of remuneration for directors and managers, as well as the policies and systems for manager performance evaluations, and	

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Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(IV) Does the Company assesses the independence of CPAs periodically ?	✓		submits its recommendations to the Board of Directors for discussion. (IV) The Company's audit committee annually evaluates the independence and suitability of the CPAs responsible for signing off on financial statements. In addition to requiring CPAs to provide a "Statement of Independence" and "Audit Quality Indicators (AQI)," the evaluation follows the standards outlined in Note 1 and considers 13 AQI indicators. It has been confirmed that, apart from fees for certification and other assurance services, the accountants have no other financial interests or business relationships with the company. Their family members also comply with independence requirements. Additionally, based on AQI indicator information, it has been verified that the accountants and their firm do not significantly differ from industry averages in terms of audit experience and training hours. Moreover, the adoption of digital audit tools, electronic confirmations, and generative AI-assisted auditing tools enhances audit quality and efficiency. The latest annual evaluation results were discussed and approved by the audit committee on March 9, 2026, and subsequently approved by the Board of Directors on the same day regarding the CPA's independence and	

Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof																		
	Yes	No	Summary																			
			competence. Note 1:CPA independence assessment standard: <table> <tr> <th>Indicator</th> <th>Result</th> <th>Compliance of independence</th> </tr> <tr> <td>I. CPAs and members of the Audit Service Team do not hold positions as directors, managers, or positions that have a significant impact on the audits of the Company in the past two years.</td> <td>Yes</td> <td>Independent</td> </tr> <tr> <td>II. The CPAs and members of the audit service team are not related to the Company's directors, managers or personnel who have a significant impact on the audit.</td> <td>Yes</td> <td>Independent</td> </tr> <tr> <td>III. The CPAs have no direct or indirect significant financial interest relationship with the Company.</td> <td>Yes</td> <td>Independent</td> </tr> <tr> <td>IV. The CPAs are not related to the audit cases or have public expenses.</td> <td>Yes</td> <td>Independent</td> </tr> <tr> <td>V. Whether the CPAs confirm that the accounting firm to which they belong has complied with</td> <td>Yes</td> <td>Independent</td> </tr> </table>	Indicator	Result	Compliance of independence	I. CPAs and members of the Audit Service Team do not hold positions as directors, managers, or positions that have a significant impact on the audits of the Company in the past two years.	Yes	Independent	II. The CPAs and members of the audit service team are not related to the Company's directors, managers or personnel who have a significant impact on the audit.	Yes	Independent	III. The CPAs have no direct or indirect significant financial interest relationship with the Company.	Yes	Independent	IV. The CPAs are not related to the audit cases or have public expenses.	Yes	Independent	V. Whether the CPAs confirm that the accounting firm to which they belong has complied with	Yes	Independent	
Indicator	Result	Compliance of independence																				
I. CPAs and members of the Audit Service Team do not hold positions as directors, managers, or positions that have a significant impact on the audits of the Company in the past two years.	Yes	Independent																				
II. The CPAs and members of the audit service team are not related to the Company's directors, managers or personnel who have a significant impact on the audit.	Yes	Independent																				
III. The CPAs have no direct or indirect significant financial interest relationship with the Company.	Yes	Independent																				
IV. The CPAs are not related to the audit cases or have public expenses.	Yes	Independent																				
V. Whether the CPAs confirm that the accounting firm to which they belong has complied with	Yes	Independent																				

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Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			the relevant independence standards.	
			VI. The CPAs did not serve as directors, managers, or positions that have significant influence on the audit within one year after their resignation.	
			VII. There is no significant and close business relationship between CPAs and the Company.	
			VIII. There is no potential employment relationship between CPAs and the Company.	
			IX. The non-audit services provided by the CPAs to the Company have no important items that directly affect the audit cases.	
			X. The CPAs do not represent the Company in the defense of legal cases or other disputes with third parties.	
			XI. The CPAs do not promote or broker the shares or other securities issued by the Company.	

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Evaluation item	Implementation (Note 1)					Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary			
			XII. The CPAs did not receive any gifts or special offers of significant value from the Company or its directors, managers or major shareholders.	Yes	Independent	
			XIII. The tenure of CPAs does not exceed seven years.	Yes	Independent	
			XIV. Whether the CPAs have complied with the requirements of the Bulletin of CPA Professional Ethics No. 10 about independence.	Yes	Independent	

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Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
IV. Does the TWSE/TPEX-listed company designate competent corporate governance personnel in an appropriate number along with a chief corporate governance supervisor responsible for related matters (including but not limited to providing information required for directors and supervisors to perform their duties, assisting directors and supervisors in comply with laws and regulations, handling matters related to the Board of Directors and shareholders' meetings, and preparing minutes of the Board of Directors and shareholders' meetings)?	✓		On May 10, 2021, the Board of Directors approved the establishment of the role Corporate Governance Officer. This position is served by Lu Hsiu-Ying, Manager of Department of Shareholders' Services. Lu has more than three years of managerial experience in finance and shareholders' services with public companies, in line with the statutory requirements for Corporate Governance Officer. Meanwhile, a number of suitable and appropriate corporate governance administrators are appointed, to handle corporate governance matters including organization of board meetings and shareholders' meetings according to laws; production of meeting minutes; registrations for company changes; assistance in onboarding and continuing education of directors; preparation of data required for directors to perform businesses; and support to directors in compliance. Please refer to page 88 for continuing education of Corporate Governance Officer.	We are in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
V. Does the Company build communication channels for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), establish a stakeholder section on the Company's website, and duly respond to the CSR issues that the stakeholders are concerned about?	✓		The Company handles stock affairs on its own since its first listing. Matters related to shareholders are all in compliance with relevant laws and regulations, and shareholders' meetings are convened in the legal, effective and safe manner to ensure shareholders' rights and interests.	We are in compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VI. Does the Company appoint a professional stock agency to handle matters related to		✓	We handle matters related to shareholders' meetings on our own. All shareholders' meetings are held on a legal,	There is no material difference with the

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Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
shareholders' meetings?			effective and secure basis to ensure shareholders' rights.	Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies; in the future, the Company will continue to comply with relevant laws and regulations for discussion.
VII. Information disclosure				
(I) Does the Company set up a website to disclose information concerning financial affairs and corporate governance?	✓		(I) The Company has set up a website and disclosed relevant information thereon.	Adherence to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies The company has established the English version of the website for disclosure of basic data, financial and business information. An English website has been established, and our company and business information have been disclosed on it. We are now assessing whether to provide financial and stock affair information in English.
(II) Does the Company use other information disclosure methods (e.g. an English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, and posting the videos of investor conferences on the website)?	✓		(II) We have appointed personnel responsible for disclosing and gathering information and have implemented a spokesperson system thoroughly.	

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Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(III) Does the Company publicly announce and file the annual financial statements within two months after the close of the year and announce and file Q1, Q2 and Q3 financial statements and the monthly operation status prior to the regulated deadline?		✓	The Company shall announce and report the annual financial statements 75 days before the end of the fiscal year, and the first, second, and third quarter financial statements and the operating status of each month before the prescribed deadline.	There is no material difference with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies; in the future, the Company will continue to comply with relevant laws and regulations for discussion..
VIII. Is there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the continuing education for directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policies, the purchase of liability insurance for the Company's directors and supervisors) that is helpful in understanding the corporate governance operation of the Company?	✓		(I) Employee interests: The Company has always treated employees with integrity, organized labor unions, and ensured their legal rights in accordance with labor laws. (II) Employee care: Providing a Comfortable Work Environment: Ensuring the workplace is clean, bright, well-ventilated, and equipped with necessary office facilities such as ergonomic chairs and appropriate lighting to reduce employees' physical strain. Ensuring Workplace Safety: Enhancing safety education and training, providing necessary protective equipment, and conducting regular safety inspections to ensure employees' personal safety.	No major differences.

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Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			Supporting Mental Health: Providing psychological counseling and support services to help employees cope with work stress and negative emotions while maintaining a positive mindset. Organizing Team-Building Activities: Regularly hosting team-building events to strengthen team cohesion and improve communication and collaboration among employees. Caring for Employees' Lives: Understanding employees' family situations, hobbies, and interests to offer personalized support, such as family care programs and birthday celebrations. Listening to Employee Feedback: Establishing effective communication mechanisms to encourage employees to voice opinions and suggestions, addressing their concerns in a timely manner. (III) Investor relation: A spokesperson and a deputy spokesperson are appointed to handle shareholders' questions and suggestions. (IV) Supplier relation: We have maintained a good relationship with our suppliers. Our procurement department is responsible for managing supplier-related affairs. (V) Stakeholders' rights: Our stakeholders can communicate with us and give us advices to maintain their legal rights.	

Evaluation item	Implementation (Note 1)					Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary			
(VI) Continuing education of directors in the most recent year:						
						</

Title	Name	Date assumed office	Training date		Organizer	Course title	Study Hours
			Commencement	Conclusion			
Independent Director	Wu Tong-Shung	2023/06/21	2025/2/24	2025/2/24	CPA Associations R.O.C. (Taiwan)	AI Case Selection: Discussion on the Application of Auditing Methods Based on Case Studies	3
			2025/3/3	2025/3/3		Key Points of Business Income Tax Returns and Interpretation of Queries (morning)	3
			2025/03/03	2025/03/03		Key Points of Business Income Tax Returns and Interpretation of Queries (afternoon)	4
			2025/3/10	2025/3/10		Criminal Legal Risk Analysis for CPA Audit Engagements – Focusing on Post-Audit Procedures.	3
			2025/3/25	2025/3/25		The Impact of IFRS 18 on Financial Statements and an Introduction to Carbon Rights Accounting	3
			2025/4/08	2025/4/08		Anti-money Laundering Conference	3
			2025/6/20	2025/6/20		Evaluation Profile and Related Issues	3
			2025/8/22	2025/8/22	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net-Zero Summit	3
			2025/9/11	2025/9/11		“The Principle of Fair Customer Treatment: From Oversight Requirements to Governance Practice”	2
			2025/9/11	2025/9/11		“Financial Friendliness and Vulnerable Group Protection: Inclusive Governance Issues”	1
			2025/10/16	2025/10/16	Taiwan Corporate Governance Association	Risks and Information Security Issues in the Age of AI	1
			2025/10/16	2025/10/16	Chinese National Association of Industry and Commerce	“What You See May Not Be Real – Virtual Assets and Real Money Laundering”	2

			(VI) Continuing education of directors in the most recent year:							
			Title	Name	Date assumed office	Training date		Organizer	Course title	Study Hours
						Commencement	Conclusion			
			Independent Director	Chang Jinn-Der	2023/06/21	2025/7/4	2025/7/4	CPA Associations R.O.C. (Taiwan)	Difference Analysis Between Corporate Accounting Standard Bulletins and the Latest IFRSs Approved by the FSC	3
						2025/7/4	2025/7/4		Money Laundering Prevention Act Through the Lens of Judicial Practice	3
						2025/7/30	2025/7/30		TPEX Support Helps Innovative MSMEs Succeed: GISA Plus, Simplified Public Offerings Combined With Emerging Stock Board Companies and TPEX-Listed Companies	3
						2025/9/18	2025/9/18		Carbon Accounting GHG Protocol Overview and Link to Financial Information	3
						2025/9/24	2025/9/24		Facing Tax Crimes and Tax Evasion (From Three Perspectives)	3
				Sun Chin-Feng	2023/06/21	2025/7/9	2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Banking and Climate Change Summit	3
						2025/7/11	2025/7/11	Taiwan Corporate Governance Association	NVIDIA's Trillion-Dollar Breakthrough: A New Perspective on the Semiconductor Industry Revolution Driving Artificial Intelligence	3
						2025/8/6	2025/8/6		Strategy for Taiwanese Businesses' Global Expansion: Precautions for Taiwanese Businesses When Exiting or Downsizing Operations in China (Part I)	3
						2025/8/6	2025/8/6		Strategy for Taiwanese Businesses' Global Expansion: Precautions for Taiwanese Businesses When Exiting or Downsizing Operations in China (Part II)	3

Evaluation item	Implementation (Note 1)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			(VII) Implementation of risk management policies and risk measurement standards: Based on corporate operations, the management team analyzes and categorizes risks into financial risks; supply chain and raw material risks; management risks; market risks; climate change risks; environment, safety and health risks; factory management risks and cybersecurity concerns. Control strategies and measures are formulated, reviewed on a rolling basis and implemented by responsible units. (VIII) Implementation of customer policies: We maintain a good and stable relationship with customers to generate profits for the Company. (IX) Purchase of liability insurance for directors and supervisors: We purchased directors' liability insurance and reported the renewal of the insurance, and reported the renewal of the insurance at the 11th meeting of the 25th Board of Directors on August 4, 2025.	No major differences.
IX. Please specify the status of the correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies. According to the results of the Corporate Governance Evaluation released by the Corporate Governance Center of Taiwan Stock Exchange Corporation, the Company's improvements made in 2025 are as follows: 1. The Company voluntarily discloses the individual remuneration of Directors in its annual report. 2. The Company voluntarily discloses the individual remuneration of the President and Vice President in its annual report. Priorities and measures put forth to strengthen those areas where improvement has not yet emerged: 1. The Company plans to consider reporting the emoluments received by the Directors at the annual shareholders' meeting.				

Note 1: Regardless of whether "Yes" or "No" is checked, the implementation should be described in the summary column.

(IV) Where the Remuneration Committee has been set up, its formation, responsibilities and operation shall be disclosed:

1. To improve the Company's remuneration policies and systems for directors and managers, the Company resolved at the 4 meeting of the 21st Board of Directors on December 5, 2011 in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter" to establish the Remuneration Committee.

On August 7, 2023, the Board of Directors approved the appointment of Wu Tong-Shung, Chang Jinn-Der, and Sun Chin-Feng as the members of the 5th Remuneration Committee. Their term of office will expire on June 20, 2026. They elected Chang Jinn-Der from among themselves to act as the convener.

2. Responsibilities of the Remuneration Committee: The Remuneration Committee should faithfully perform its duties with the due care of a good administrator and submit its suggestions to the Board of Directors for discussion.

For detailed responsibilities, please refer to Article 6 of the "Remuneration Committee Charter" of the Company on the website of the stock exchange.

(Stock exchange website: Go to <http://mops.twse.com.tw> and click on "Corporate Governance," and "Formulation of rules and regulations related to corporate governance" to search)

(1) Information about Remuneration Committee members

April 19, 2026

Conditions Identity Name		Independence status of expertise and <u>experience</u>	Number of members who are concurrently as compensation and remuneration committees of other public offering
Independent Director (Convener)	Chang Jinn-Der	Please refer to pages 12–13. (I) Information on directors 3.	1
Independent Director	Wu Tong-Shung		0
Independent Director	Sun Chin-Feng		2

(2) Information on the operation of the Remuneration Committee

- I. The Company's Remuneration Committee consists of 3 members.
- II. The term of the current members: June 21, 2023 - June 20, 2026. 3 (A) meetings of the Remuneration Committee have been held in the most recent year. The qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Chang Jinn-Der	3	0	100%	
Member	Wu Tong-Shung	3	0	100%	
	Sun Chin-Feng	3	0	100%	

Other particulars:

- I. If the Board of Directors does not adopt or amend the suggestions from the Remuneration Committee, the date and session of the board meeting, the contents of the proposal, the resolution of the Board of Directors, and the Company's response to the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the remuneration suggested by the Remuneration Committee, the differences and reasons thereof should be stated): None.

Date and period	Proposal	Remuneration Committee's resolution	Company's response to Remuneration Committee's opinions
March 3, 2025 5th Board 6th meeting	1. Motion for 2024 distribution of remuneration to employees and directors.	Passed unanimously by all attending members following consultation by the chair.	Passed unanimously by all attending directors following consultation by the chair.
August 4, 2025 5th Board 7th meeting	1. Motion for remuneration to the Company's general manager. 2. Motion for amendment to the "Measures Governing the Calculation and Distribution of Employee Remuneration." 3. Motion for review of the Company's managers' remuneration policies, systems, standards, structure and performance, and evaluation methods.	Passed unanimously by all attending members following consultation by the chair.	
November 3, 2025 5th Board 8th meeting	1. Motion for salary adjustment for the Company's employees.	Passed unanimously by all attending members following consultation by the chair.	

- II. If there is any resolution made by the Remuneration Committee with any objection or reservation raised by its members and included in records or stated in writing, the date and session of the Remuneration Committee meeting, the contents of the proposal, all members' opinions, and the response to their opinions should be stated: None.

Note:

- (1) If a Remuneration Committee member resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings during his/her term of service and the actual attendance.
- (2) If a re-election of the Remuneration Committee takes place prior to the end of the year, the newly-elected and former Remuneration Committee members shall be listed, and it shall indicated in the remarks column whether the members are former, newly elected, or reelected, and the day of the re-election shall also be specified. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings during the term of service and the actual attendance.

(V) The State of the Company's Promotion of Sustainable Development: The Company's systems and measures for environmental protection, community participation, social contribution, social services, social welfare, consumer rights, human rights, safety and health, and other social responsibility activities and implementation thereof.

Implementation status of the Sustainable Development and the deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons

<u>Evaluation item</u>	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is supervised by the Board of Directors? <u>(TWSE/TPEX-listed companies should describe the implementation status – not “comply or explain”)</u>	✓		The Company's "ESG team" is led by the General Manager, who is responsible for convening meetings and making decisions on ESG initiatives (including: corporate governance, ethical management, environmental protection, risk management, social engagement, and material issues of concern to stakeholders). The team integrates cross-departmental resources within the Company to confirm and review ESG strategies, related specific plans, and implementation results. The Company holds regular risk control meetings, where the production, business, procurement, and accounting departments hold monthly meetings for the Copper Task Force, management meetings, and production-sales meetings. Each unit evaluates and determines risk categories, potential risks, management strategies, and practices. In addition to disclosing relevant information in the ESG report, the Company systematically plans and incorporates appropriate budgets into the annual work plans of each responsible unit. The “ESG	No difference

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<u>Evaluation item</u>	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
			Team” then compiles the status of ESG initiatives each year and reports to the Board of Directors, which supervises the implementation of sustainable operations, evaluates the results, and provides necessary guidance. In addition, the convener of the “ESG Team” compiles the ESG implementation results every year and reported to the Board of Directors on May 10, 2025 (once a year) to supervise the implementation of sustainable management and evaluate the implementation results.	
II. Does the Company establish a unit dedicated to (concurrently engaged in) promoting corporate social responsibilities? Does the Board of Directors authorize the top management to handle the relevant affairs? Does the top management report the handling to the Board of Directors?(Note 2) <u>(TWSE/TPEX-listed companies should describe the implementation status – not “comply or explain”)</u>	✓		1. The Company conducts its analysis based on the materiality principle outlined in its sustainability report. Considering corporate governance, sustainable environmental development, social welfare, and company operations, the Company gathers feedback from both internal and external stakeholders through surveys and other means. This information is used to evaluate material ESG issues, establish effective risk management policies for identifying, measuring, assessing, monitoring, and controlling these risks, and implement concrete action plans to mitigate their impact. 2. To ensure corporate governance, develop a sustainable environment, protect the social welfare and communicate with internal and external stakeholders, material ESG issues are listed for assessment and formulation of relevant	No difference

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Evaluation item	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons														
	Yes	No	Summary															
			risk management strategies as follows: <table><tr><th>Risk categories</th><th>Potential risks</th><th>Control strategies and measures</th></tr><tr><td rowspan="4">Financial risks</td><td rowspan="2">Interest rate changes</td><td>Budget planning on a weekly, monthly and annual basis to optimize funding tools and lower capital costs</td></tr><tr><td>Maintaining good relations with banks to obtain best interest rates by leveraging the Company’s healthy financials Appropriate borrowing periods and floating/fixed interest rate structures to reduce interest rate risks</td></tr><tr><td rowspan="2">Exchange rate changes</td><td>Keeping an eye on exchange rates each day, to stay on top of the market information and adjust the schedule for export bill negotiations accordingly</td></tr><tr><td>Natural hedging of assets and liabilities denominated in foreign currencies and financing with receivables denominated in foreign currencies to mitigate exchange rate risks</td></tr><tr><td rowspan="2">Supply chain and raw materials risks</td><td rowspan="2">Components on procurement list out of production and disruption to raw</td><td>Business intelligence and development trends are collated so that technical and production functions can respond in advance.</td></tr><tr><td>Cautious and continuing development of alternative materials. Reduction of single</td></tr></table>	Risk categories	Potential risks	Control strategies and measures	Financial risks	Interest rate changes	Budget planning on a weekly, monthly and annual basis to optimize funding tools and lower capital costs	Maintaining good relations with banks to obtain best interest rates by leveraging the Company’s healthy financials Appropriate borrowing periods and floating/fixed interest rate structures to reduce interest rate risks	Exchange rate changes	Keeping an eye on exchange rates each day, to stay on top of the market information and adjust the schedule for export bill negotiations accordingly	Natural hedging of assets and liabilities denominated in foreign currencies and financing with receivables denominated in foreign currencies to mitigate exchange rate risks	Supply chain and raw materials risks	Components on procurement list out of production and disruption to raw	Business intelligence and development trends are collated so that technical and production functions can respond in advance.	Cautious and continuing development of alternative materials. Reduction of single	
Risk categories	Potential risks	Control strategies and measures																
Financial risks	Interest rate changes	Budget planning on a weekly, monthly and annual basis to optimize funding tools and lower capital costs																
		Maintaining good relations with banks to obtain best interest rates by leveraging the Company’s healthy financials Appropriate borrowing periods and floating/fixed interest rate structures to reduce interest rate risks																
	Exchange rate changes	Keeping an eye on exchange rates each day, to stay on top of the market information and adjust the schedule for export bill negotiations accordingly																
		Natural hedging of assets and liabilities denominated in foreign currencies and financing with receivables denominated in foreign currencies to mitigate exchange rate risks																
Supply chain and raw materials risks	Components on procurement list out of production and disruption to raw	Business intelligence and development trends are collated so that technical and production functions can respond in advance.																
		Cautious and continuing development of alternative materials. Reduction of single																

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Evaluation item	Implementation (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons		
	Yes	No	Summary			
				materials supply	supplier risks to mitigate the risk associated with the supplier's cease of production or disruption of suppliers.	
					Prioritization of local procurement and flexible response to production requirements.	
			Management risks	Personnel changes	Step-up in employee training and key technical personnel development, to avoid disruption of normal operations due to gap in technical talents Equal pay for equal work, greater transparency, enhanced inter-department interactions, higher corporate identification and lower staff turnover	
				Labor relations	Regular labor meetings to enhance the communication and promote harmony between the employer and employees	
			Market risks	Imbalance of production and sales	Kept abreast of industry, market, and customer developments and market demand trends for sales reference.	
				Responses to the product market	Kept abreast of industry, market, and customer developments and market demand trends for sales reference.	
				Price fluctuations	China's economic recovery, led by the elimination of COVID-19 cases, and the changes in the Fed's policy, will cause a slight rebound in the copper price this	

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Evaluation item	Implementation (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
				year.
			Climate change risks	Continuing management in energy efficiency and carbon reduction
				The cross-function organization discusses and identifies climate change related risks and opportunities
				Management of consumption of electricity, fossil fuel and gas-fired powered mix enhancement of resource utilization efficiency and cost saving
			Environment, safety and health	Enhancement of training and education in safety and health. Strengthening of occupational safety and health.
				Continued drive of plans and implementation of automated inspection
				Enhanced occupational safety and health management by implementing ISO 45001
			Factory management risks	Respond to climate change risks, comply with environmental protection regulations, and move towards net
				1. Change to power-saving LED lighting in production areas to save energy and reduce carbon emissions.
				2. Install solar photovoltaic systems on the roof of the plant
				3. Continue the power-saving improvements to oxygen-free copper furnace as planned

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Evaluation item	Implementation (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons		
	Yes	No	Summary			
				zero carbon emissions		
				Maintained anoxic copper process equipment to ensure high operational reliability	1. Repaired and replaced main drive shaft coupler repair and replacement 2. Replaced blades 3. Upgraded oxygen-free copper M3 and M4 induction furnaces to improve the melting efficiency of oxygen-free copper.	
				The risk of downtime for repairs increases for old and obsolete equipment	Plan to upgrade and replace old and obsolete pieces of production equipment	
			Cybersecu rity concerns	Security concerns with IT system	Continuing updates of cybersecurity equipment to protect, manage, monitor systems and network activities	
					Continuing data backups and deployment of redundancy mechanisms	
					Regular drills in disaster recovery	
					Continuing advocacy of the importance of cybersecurity, intellectual property and personal data backups and integrity	
			Please refer to the sustainability reports and the Company's website (Website: www.hegroup.com.tw/)			

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Evaluation item	Implementation (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
III. Environmental issue				
(I) Does the Company establish environmental management systems suitable for its industrial characteristics?	✓		(1) Hua Eng Wire & Cable has established an environmental management system specific to its industry characteristics by following the ISO14001:2015 standard. The system has been accredited by the DQS and has passed annual reassessments.	No difference
(II) Does the company committe to improve energy efficiency and using recycled materials with low impact on the environment?	✓		(2) Design of 3R (reuse, reduce, recycle) process specific to industry characteristics Hua Eng Wire & Cable obtained the ISO 14001:2015 environmental management system certification in 2019. Since then, we have been driving waste classification, recovery and reduction, pollution control and continuous improvements. Improvement for energy efficiency of oxygen-free copper (OFC) furnaces is continued as planned. Traditional boilers running on fuels and energy inefficient are being replaced across the board with zero-emission liquid nitrogen. Old forklifts with high waste emissions are gradually being phased out.	No difference
(III) Does the Company assess the current and future risks and opportunities that climate change potentially brings to the Company and take measures in response to climate-related issues?	✓		(3) In order to respond to the impact of climate change, Hua Eng Wire began to introduce the International Financial Reporting Standards (IFRS) in November 2025. We assess and disclose the possible risks and opportunities, as well as the expected financial impacts that climate change may bring about. This helps	No difference

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Evaluation item	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons								
	Yes	No	Summary									
			continue to reduce risks, enhance resilience, and create sustainable development opportunities. <table> <tr> <th>Governance</th> <th>Strategy</th> <th>Risk management</th> <th>Metrics and targets</th> </tr> <tr> <td>Hua Eng Wire has set up an ESG team that identifies reasonably foreseeable climate-related risks and opportunities, as well as potential financial impacts affecting the Company’s prospects, and regularly reports major issues to the Board of Directors for decision-making</td> <td> 1. The cross-function organization discusses and identifies climate change related risks and opportunities, control the electricity dependence on fissile fuels and gas-fired power, enhances resource utilization efficiency and reduces costs. 2. Improved equipment and processes to reduce energy consumption </td> <td> Use of the TCFD framework to construct the workflow of identifying the Company’s climate risks Integration with the ISO 14001 risk management process to identify climate related risks and create the opportunity to improve and address climate issues </td> <td> In line with the government's "green energy carbon reduction" goal and other government policies, install solar photovoltaic systems and change to energy-saving LED lamps so as to achieve 10% carbon reduction by 2030 and net zero emissions by 2050 </td> </tr> </table>	Governance	Strategy	Risk management	Metrics and targets	Hua Eng Wire has set up an ESG team that identifies reasonably foreseeable climate-related risks and opportunities, as well as potential financial impacts affecting the Company’s prospects, and regularly reports major issues to the Board of Directors for decision-making	1. The cross-function organization discusses and identifies climate change related risks and opportunities, control the electricity dependence on fissile fuels and gas-fired power, enhances resource utilization efficiency and reduces costs. 2. Improved equipment and processes to reduce energy consumption	Use of the TCFD framework to construct the workflow of identifying the Company’s climate risks Integration with the ISO 14001 risk management process to identify climate related risks and create the opportunity to improve and address climate issues	In line with the government's "green energy carbon reduction" goal and other government policies, install solar photovoltaic systems and change to energy-saving LED lamps so as to achieve 10% carbon reduction by 2030 and net zero emissions by 2050	
Governance	Strategy	Risk management	Metrics and targets									
Hua Eng Wire has set up an ESG team that identifies reasonably foreseeable climate-related risks and opportunities, as well as potential financial impacts affecting the Company’s prospects, and regularly reports major issues to the Board of Directors for decision-making	1. The cross-function organization discusses and identifies climate change related risks and opportunities, control the electricity dependence on fissile fuels and gas-fired power, enhances resource utilization efficiency and reduces costs. 2. Improved equipment and processes to reduce energy consumption	Use of the TCFD framework to construct the workflow of identifying the Company’s climate risks Integration with the ISO 14001 risk management process to identify climate related risks and create the opportunity to improve and address climate issues	In line with the government's "green energy carbon reduction" goal and other government policies, install solar photovoltaic systems and change to energy-saving LED lamps so as to achieve 10% carbon reduction by 2030 and net zero emissions by 2050									

Two. Corporate Governance Report

2025 Annual Report

Evaluation item	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons																
	Yes	No	Summary																	
(IV) Does the Company make statistics of its greenhouse gas emissions, water consumption and total waste weight during the previous two years and have policies for energy saving and carbon reduction, reduction of greenhouse gas emissions, reduction of water consumption, or management of other waste?	✓		Considering the impact of climate change and the resulting heavy precipitation in summer, the Company intends to initiate engineering works to connect water sewages and regular dredging at the factory in order to prevent disruption caused by flooding of rain on production machinery as part of review and improvement of the drainage system. (4) The Company's water consumption and total waste weight are related to the actual number of orders and the output of our products. We save water, implement waste sorting, reuse water, and decrease waste every year. Hua Eng Wire & Cable has calculated its GHG emissions, water consumption and waste disposal during the past two years. (1) GHG emissions <table> <tr> <td></td> <td>2023</td> <td>2024</td> <td>2025</td> </tr> <tr> <td>Total CO2e ton</td> <td>17,010</td> <td>15,176</td> <td>14,329</td> </tr> <tr> <td>Production value: million</td> <td>7,115</td> <td>8,204</td> <td>8,450</td> </tr> <tr> <td>Emission intensity</td> <td>2.2</td> <td>1.85</td> <td>1.70</td> </tr> </table> Note:GHG emission intensity = total GGHG emissions (tons) / production value (NT\$ m)		2023	2024	2025	Total CO2e ton	17,010	15,176	14,329	Production value: million	7,115	8,204	8,450	Emission intensity	2.2	1.85	1.70	No difference
	2023	2024	2025																	
Total CO2e ton	17,010	15,176	14,329																	
Production value: million	7,115	8,204	8,450																	
Emission intensity	2.2	1.85	1.70																	

Two. Corporate Governance Report

2025 Annual Report

Evaluation item	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons							
	Yes	No	Summary								
			(2) Water consumption Unit: million liters <table> <tr> <th></th> <th>Consumption of running water</th> </tr> <tr> <td>2023</td> <td>19.6</td> </tr> <tr> <td>2024</td> <td>21.263</td> </tr> <tr> <td>2025</td> <td>28.189</td> </tr> </table> (3)Total waste weight		Consumption of running water	2023	19.6	2024	21.263	2025	28.189
	Consumption of running water										
2023	19.6										
2024	21.263										
2025	28.189										

Two. Corporate Governance Report

2025 Annual Report

Evaluation item	Implementation (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
IV. Social issue				
(I) Does the Company develop management policies and procedures in accordance with the relevant regulations and international human rights conventions?	✓		(1) The Company strictly adheres to relevant regulations, is committed to safeguarding employees' fundamental human rights, and ensures the protection of their legal rights. It supports the United Nations Universal Declaration of Human Rights and the International Labour Organization conventions, ensuring that every employee is treated fairly and with respect while fostering a friendly workplace. Educational training sessions are conducted to promote awareness of related regulations.	No difference
(II) Does the Company establish and implement reasonable employee benefit measures (including remuneration, leave and other benefits)? Is the business performance or results properly reflected in the remuneration for employees?	✓		(2) We have formulated remuneration and leave measures in accordance with the Labor Standards Act, established an employee welfare committee, and contributed welfare funds as required by law. Please refer to section Four.V.(I).1 for details on employee welfare measures. To enable employees to work with peace of mind and ensure their financial security in retirement, the Company has established an employee retirement plan in accordance with the "Labor Standards Act" and the "Labor Pension Act", providing stable pension	No difference

Two. Corporate Governance Report

2025 Annual Report

<u>Evaluation</u> item	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
(III) Does the Company provide a safe and healthy work environment to its employees and provide them with safety and health education regularly?	✓		contributions and benefits. Please refer to section Four.V.(I).3 for details on the retirement system. The Company has established "Employee Performance Evaluation Management Measures" to ensure fair and reasonable evaluations of the work performance and contributions of supervisors and staff at all levels over the preceding period. The Company uses work performance and performance appraisal results as the basis for determining year-end bonuses for employees at all levels, and for making decisions regarding salary adjustments and promotions. Assessment criteria for promotion include years of service, education background, performance, and professional skills. (3) In 2025, 122 person-times (796 man-hours) were dispatched to participate in off-site occupational safety and environmental protection courses; and an annual employee health examination was conducted for 113 people. There were 0 fire incidents, 2 casualties, and 0.6% of casualties in the total number of	No difference No difference

Two. Corporate Governance Report

2025 Annual Report

<u>Evaluation</u> item	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
(IV) Does the Company have effective programs for development and training of employees' career skills?	✓		employees in 2025. For details of the protection measures for work environments and employee safety, please see page 122. (4) To address its own needs, each unit within the Company proposes its own personnel development and training plan each year. This includes new hire orientation ,on-the-job training, and management skills. The purpose is to assist colleagues in learning at multiple fronts, enhance capabilities and continue to grow and develop. In 2025, a total of 162 classes were organized for 604 participants and 2,128 man-hours.	No difference
(V) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labeling and set policies to protect consumers' or <u>customers'</u> rights and consumer appeal procedures?	✓		(5)All of Hua Eng Wire & Cable's products are clearly labeled according to regulations or customers' requestswith company data, product information, product certification details such as(CNS,UL,product testing & certification by the Standards, Metrology & Inspection, RoHS (Restriction of Hazardous Substances Directive),) so that customers fully understand the supplier information and safety of product use. This facilitates appropriate measures to process end-of-life product, to mitigate the environmental and social impact. The Company complies with the Personal Data	

Two. Corporate Governance Report

2025 Annual Report

Evaluation item	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
(VI) Does the Company have a supplier management policy that requires suppliers to comply with regulations concerning environmental protection, occupational safety and health or labor rights? How is the implementation?	✓		Protection Act by establishing “Declaration for Personal Data Policy” as a management measure, to properly protect personal data and customers’ privacy. Hua Eng Wire & Cable has put in place Management Guidelines on Handling of Customers’ Complaints and Goods Returned, in accordance with the ISO 9001 quality management system. Procedures are implemented to protect customers’ rights and process complaints. Communication channels are established for stakeholders. Please visit Hua Eng Wire & Cable’s website →Corporate Sustainability→Communication with Stakeholders. (http://www.hegroup.com.tw/index.php?option=module&lang=cht&task=pageinfo&id=142&index=4) (6) The Company will take an even more proactive attitude to supplier management by fully considering environmental, social and economic aspects and keeping a close eye on significant or potential risks across the supply chain. By exercising our influence, we also urge suppliers to cultivate concepts and management ability in sustainable development. This will foster a positive cycle in the industry.	No difference

Two. Corporate Governance Report

2025 Annual Report

<u>Evaluation</u> item	Implementation_(Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
			Since the end of 2018, the procurement unit has been requesting suppliers to sign a Letter of Commitment to Corporate Social Responsibility. A total of 475 suppliers have signed it to date. In 2025, 100% of new suppliers signed the commitment to corporate social responsibility. During the course of business and the process of production and manufacturing, it is necessary to abide by the clauses regarding labor health and safety, ethics and integrity, environmental protection and continuous improvements. It is also required to adhere to relevant domestic and overseas laws and standards on corporate social responsibility and ensure a safe work environment across the supply chain and respect and dignity to employees. In addition, companies must assume accountability in environmental protection, practice code of conduct and work together in corporate social responsibility. In addition to fulfilling our own corporate social responsibility, we also ask suppliers to honor their responsibility to society.	
V. Does the Company refer to international reporting rules or guidelines to publish the <u>Sustainability</u> Report to disclose non-financial information of the Company? Has the said Report acquired third-party verification or	✓		(1) The Company prepared its 2024 sustainability report by adopting the core option of the GRI (Global Reporting Initiative) Standards and referring to the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE	No difference

Two. Corporate Governance Report

2025 Annual Report

Evaluation item	Implementation (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and its reasons
	Yes	No	Summary	
statement of assurance?			Listed Companies; (SASB) Sustainability Accounting Standards Board standard; and TCFD (Climate-related Financial Disclosures) framework for information disclosure. (2) This report has been verified by third parties.	
VI. If the Company has established its sustainable development code of practice according to “Listed Companies Sustainable Development Code of Practice,” please describe the operational status and differences: (1) In November 2018, the Board of Directors formulated and approved the Company’s Practical Guidelines on Corporate Social Responsibility. In May 2022, the Board of Directors approved the amendment to these guidelines and renamed it “Practical Guidelines on Sustainability,” to better fulfill corporate social responsibility. The Company regularly reviews the implementation of the guidelines in order to make improvements. There has been no implementation variation to date. (2) The Company has produced a sustainability report. Please refer to the Sustainability Report for details. The Company has prepared a Sustainability report. For the implementation, please refer to “2025 Sustainability report” of the Company. No difference				
VII. Other important information to facilitate better understanding of the Company’s promotion of sustainable development: Please refer to the introduction and explanation provided in the “Sustainability of the Corporate” Section of the Company’s website at http://www.hegroup.com.tw/				

Note 1: If “Yes” is selected for the execution status, please specify the important policies, strategies and measures and implementations. status; if “No” is checked, please explain the difference and its reason in the column of “Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof” and describe the relevant policy, strategy and measure to be taken in the future. Regarding the initiatives (1) and (2), the TWSE/TPEX listed company should describe the governance and oversight framework for sustainable development, including but not limited to management guidelines, strategies, goal setting and review methods. Please describe the Company’s risk management policies or strategies and assessments of operational risks in environmental, social and corporate issues.

Note 2: Materiality principle means topics related to environment, social and corporate governance that have material impacts on the Company’s investors and other stakeholders.

Note 3: Please refer to the sample of best practices on Taiwan Stock Exchange Corporation’s corporate governance center website for method of disclosure.

Climate-related Information on TWSE/TPEX-listed Companies

1. Implementation of climate-related information

<u>Item</u>	<u>Implementation status</u>								
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board and the management.	1. Given the increasingly significant impact of climate change on corporate operations and taking into account the importance of climate change to the Company's sustainable operations, the Board authorized the Company to establish its ESG team in 2021. This team is responsible for strategic planning and implementation management regarding risks and opportunities related to climate change, and reports the progress of its work and the results of implementation to the Board on a regular basis.								
2. Describe the effects of the identified climate risks and opportunities on the Company's business, strategy and finance (in the short-term, medium-term, and long-term).	2. The Company pays close attention to trends in global climate change and to the development of international responses, and includes climate change as one of the material topics and crucial risks for sustainable corporate development. It continues to conduct analysis and management to identify potential major risks and opportunities for operations. We have specified our goals and promote management actions for carbon reduction strategies; these risks and opportunities are summarized as follows: (1). Four risks <table><tr><th>Term</th><th>Risk</th><th>Impact</th><th>Countermeasures</th></tr><tr><td>Mid-to-long-term</td><td>1. Introduction of the carbon border tax 2. Imposition of carbon fees 3. Renewable Energy Development Act</td><td>Increased operating costs</td><td>1. Participate in domestic regulation seminars and training and continue to focus on domestic and international trends and developments (i.e., ESG, carbon neutrality, IFRS, and carbon trading systems). 2. Plan to study the feasibility of reducing carbon emissions in response to the "Domestic Climate Change Act" and the EU's "Carbon Border Adjustment Mechanism (CBAM)" to achieve the sustainable</td></tr></table>	Term	Risk	Impact	Countermeasures	Mid-to-long-term	1. Introduction of the carbon border tax 2. Imposition of carbon fees 3. Renewable Energy Development Act	Increased operating costs	1. Participate in domestic regulation seminars and training and continue to focus on domestic and international trends and developments (i.e., ESG, carbon neutrality, IFRS, and carbon trading systems). 2. Plan to study the feasibility of reducing carbon emissions in response to the "Domestic Climate Change Act" and the EU's "Carbon Border Adjustment Mechanism (CBAM)" to achieve the sustainable
Term	Risk	Impact	Countermeasures						
Mid-to-long-term	1. Introduction of the carbon border tax 2. Imposition of carbon fees 3. Renewable Energy Development Act	Increased operating costs	1. Participate in domestic regulation seminars and training and continue to focus on domestic and international trends and developments (i.e., ESG, carbon neutrality, IFRS, and carbon trading systems). 2. Plan to study the feasibility of reducing carbon emissions in response to the "Domestic Climate Change Act" and the EU's "Carbon Border Adjustment Mechanism (CBAM)" to achieve the sustainable						

<u>Item</u>	<u>Implementation status</u>					
					operation of ESG enterprises. 3. The greenhouse gas emission inventory and verification were conducted in accordance with the requirements of ISO 14064-1. 4. Continue to implement the ISO 14001 environmental management system to improve energy efficiency, conserve energy and reduce carbon emissions. 5. Change to power-saving LED lighting in production areas to save energy and reduce carbon emissions. 6. Install a solar photovoltaic system on the roof of the plant. 7. Continue implementing power-saving improvements to the oxygen-free copper furnace according to the plan.	
		Short-to-mid-term	Flooding due to increased typhoon intensity and extreme rainfall	Increase in capital expenditure Decrease in operating income (interruption of production)	1. Establish an emergency response organization to respond immediately and reduce losses due to climate incidents. 2. Regularly check the pumps, set up emergency power generation and water storage systems, and regularly dredge drainage channels. 3. Strengthen contingency measures against typhoons to ensure stable production in the event of natural disasters.	

<u>Item</u>	<u>Implementation status</u>				
					4. Carry out the drainage channel reconstruction project at the plant to accelerate drainage speed of the plant and reduce the risk of flooding due to heavy rain.
	Short-to-mid-term	Water consumption charges	Increased operating costs		1. Continuously monitor water consumption for abnormalities and correct issues on a timely basis. 2. Ensure the integrity of water pipes and water circulation equipment in the plant to reduce waste. 3. Recycle and reuse process cooling water.
	Mid-to-long-term	Financial institutions may raise interest rates on loans offered to high-carbon industries	Increased green energy and environmental protection transition costs for industry		Actively participate in domestic and foreign energy conservation and carbon reduction initiatives, promote various carbon reduction measures in line with national policies, and improve goodwill
	(2). Four opportunities				
	Term	Opportunity	Impact	Countermeasures	
	Mid-to-long-term	Develop and promote low-carbon products	Reduce operating costs and increase operating income	1. Recycle and reuse packaging materials (used ironwood shafts and sealing plates). 2. In line with market trends, develop low-smoke, non-toxic, environmentally friendly wires and cables, and solar cables (IEC 62930,	

<u>Item</u>	<u>Implementation status</u>				
					EN50618, and UL 4703).
		Mid-to-long-term	Actively participate in domestic and foreign energy conservation and carbon reduction initiatives, promote various carbon reduction measures in line with national policies, and improve goodwill	Increase in operating income	Actively participate in international sustainability evaluations (e.g., CDP) and continue to refine ESG-related sustainability strategies and, in turn, increase market recognition.
		Mid-to-long-term	Green procurement and supplier management	Support low-carbon operations, improve goodwill, and reduce operating costs through green procurement and supplier management.	Hua Eng's procurement policy is committed to the principles of "green procurement" and "energy-saving and carbon reduction," and the Company strives to align with relevant green, energy-saving and carbon reduction guidelines since 2018. It has promoted the "Commitment for Compliance with CSR" with suppliers to continue to implement procurement policies that are favorable and friendly to the environment and focus on the impact of hazardous chemicals on the environment. Plastic product suppliers are required to provide a "Substance Safety Data Form" to strictly control the use of hazardous substances and

<u>Item</u>	<u>Implementation status</u>				
3. Describe the financial impact of extreme climate events and transition actions.				prevent environmental pollution.	
	Long-term	Natural disaster crisis management and prevention	Formulate and ensure the effectiveness of measures for adaptation and stable production, increase customer trust, and reduce operating losses	The Company has UPS, backup servers, emergency generators, and other backup systems in place, and it regularly carries out disaster response measures to ensure that equipment continues to operate normally in the event of a crisis.	
	3. (1) For financial impacts of extreme weather (business interruption or flooding caused by extreme weather that result in operating losses) and transition actions (costs to respond to carbon reduction policies and regulations, transition costs from moving to green energy and undertaking environmental protection measures, and impact on the Company's reputation due to industrial pollution), please see the description in the above item 2 for details. (2) The Company will continue to reduce the impact of climate risk factors on its operations through the ESG team. In addition, the Company will re-evaluate its risk tolerance and asset risk pricing based on scenario analysis results and measure possible business, strategic, and financial impacts on Hua Eng Wire & Cable Co., Ltd. (3) Properly manage extreme weather events and risks associated with the transition to a low-carbon economy, incorporate climate change risks into operational decision-making, identify and manage risks while facing the crises of global warming and resource depletion, and implement mitigation and adaptation measures to fully respond to developments in energy-				

<u>Item</u>	<u>Implementation status</u>										
4. Describe the methods used for the integration of the identification, assessment, and management procedures of climate risks with the overall risk management system.	saving and carbon reduction. 4. Based on a complete risk management framework that covers operational risks, legal and compliance risks, and environmental (including climate) risks, the Company takes environmental (E), social (S), and governance (G) aspects into consideration. The Company's risk management policy includes environmental (including climate) risks, demonstrating that the Company deems climate change to be a strategic operating risk and is taking measures to identify and manage related issues. The Company's climate risk management procedures are divided into four major steps; risk identification, assessment, management, and monitoring. These are described as follows: <table border="1" data-bbox="797 616 1953 1374"> <thead> <tr> <th data-bbox="797 616 999 692">Management procedure</th><th data-bbox="999 616 1953 692">Content</th></tr> </thead> <tbody> <tr> <td data-bbox="797 692 999 919">Risk identification</td><td data-bbox="999 692 1953 919">(1). Identify climate risks and opportunities each year, in line with the Company's ESG and IFRS schedule. (2). All departments of the Company work together with the ESG Team to carry out the overall risk identification and integration process. (3). Refer to climate risk reports from both domestic and foreign institutions.</td></tr> <tr> <td data-bbox="797 919 999 1145">Risk assessment</td><td data-bbox="999 919 1953 1145">(1). The Company evaluates the impact and the level of effects of various risks based on business characteristics (finance, supply chain, management, business markets, climate change, environmental safety and health, plant management, and information security). (2) The measurement scope includes the impact path, impact time, geographical scope, and financial impact.</td></tr> <tr> <td data-bbox="797 1145 999 1259">Risk management</td><td data-bbox="999 1145 1953 1259">Assess the importance and urgency of the impact of identified risk factors in order to prioritize and formulate control strategies and practices.</td></tr> <tr> <td data-bbox="797 1259 999 1374">Risk monitoring</td><td data-bbox="999 1259 1953 1374">Based on the results of the risk assessment, the audit unit formulates and executes audit plans to implement a supervisory system and control the management of various risks</td></tr> </tbody> </table>	Management procedure	Content	Risk identification	(1). Identify climate risks and opportunities each year, in line with the Company's ESG and IFRS schedule. (2). All departments of the Company work together with the ESG Team to carry out the overall risk identification and integration process. (3). Refer to climate risk reports from both domestic and foreign institutions.	Risk assessment	(1). The Company evaluates the impact and the level of effects of various risks based on business characteristics (finance, supply chain, management, business markets, climate change, environmental safety and health, plant management, and information security). (2) The measurement scope includes the impact path, impact time, geographical scope, and financial impact.	Risk management	Assess the importance and urgency of the impact of identified risk factors in order to prioritize and formulate control strategies and practices.	Risk monitoring	Based on the results of the risk assessment, the audit unit formulates and executes audit plans to implement a supervisory system and control the management of various risks
Management procedure	Content										
Risk identification	(1). Identify climate risks and opportunities each year, in line with the Company's ESG and IFRS schedule. (2). All departments of the Company work together with the ESG Team to carry out the overall risk identification and integration process. (3). Refer to climate risk reports from both domestic and foreign institutions.										
Risk assessment	(1). The Company evaluates the impact and the level of effects of various risks based on business characteristics (finance, supply chain, management, business markets, climate change, environmental safety and health, plant management, and information security). (2) The measurement scope includes the impact path, impact time, geographical scope, and financial impact.										
Risk management	Assess the importance and urgency of the impact of identified risk factors in order to prioritize and formulate control strategies and practices.										
Risk monitoring	Based on the results of the risk assessment, the audit unit formulates and executes audit plans to implement a supervisory system and control the management of various risks										

<u>Item</u>	<u>Implementation status</u>
5. If a scenario analysis is used to evaluate resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors used, and the main financial impacts shall be described. 6. If there is a transition plan in response to the management of climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks.	5. (1) Considering the impact of climate change risks on its operations, Hua Eng has introduced the Task Force on Climate-related Financial Disclosures (TCFD) framework to carry out the inventory and disclosure of management of climate change risks and opportunities. Based on the four major aspects, including "governance," "strategy," "risk management," and "indicators and targets," the Company has built its management framework for responding to climate risks, identified risks and opportunities related to climate change, and adopted relevant response strategies to reduce and mitigate the substantial impact of climate risks on the Company's operations. (2) Currently, the Company does not use scenario analysis to evaluate and analyze financial impacts related to climate at different points of time and in different scenarios. 6. In accordance with the Company's low-carbon operation management indicators and targets, the Company is on track to achieve carbon reductions of 10% by 2030 and expects to reach net zero by 2050, based on the ratio of GHG emissions (Scope 1 and Scope 2) and renewable energy used. The implementation is as follows; (1). GHG emissions (Scope 1 and Scope 2) In 2025, carbon emissions were 14,329 tCO₂e/year, representing a 5.05% reduction from the preceding year; the Company will continue to move towards the target of net zero carbon emission by 2050. (2) Utilization of renewable energy A 780 kW solar renewable energy system has been installed, with an expected annual power generation of 929,400 kWh. The system began self-generating and self-consuming on December 12, 2025. Additionally, the plant has fully replaced 781 energy-saving LED lamps, saving 820,050 kWh of electricity each year. The second phase of the solar power system will be launched following the plan evaluation, continuing to support the government's "green energy and carbon reduction" policy.

<u>Item</u>	<u>Implementation status</u>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	7. Currently, the Company's internal carbon pricing will be based on the Taiwan carbon fee of NT\$300/ton.
8. If climate-related goals are set, the activities covered, the scope of GHG emissions, the planning period, and the progress attained in each year shall be described; if carbon offsets or renewable energy certificates (RECs) were used to achieve the goals, the source and quantity of carbon reduction credits or quantity of RECs for which they are exchanged shall be described.	8. (1). The goal of this stage is to reduce carbon by 10% by 2030 and to continue to strive towards the goal of net zero carbon emissions by 2050. We are installing solar photovoltaic systems, changing to energy-saving LED lamps, and carrying out process energy-saving improvements. (2) For the activities implemented in 2025, please refer to the description of the abovementioned Item 6.(2).
9. GHG inventory and assurance status, as well as reduction targets, strategies and substantial action plans (otherwise, please fill in 1-1 and 1-2).	9. The Company expects to complete its GHG inventory by 2024 and gain certification of GHG inventory.

1-1. The Company's greenhouse gas inventory and assurance in the recent two years

1-1-1. Greenhouse gas inventory

<u>Year</u>	<u>Turnover (millions)</u>	<u>Total emissions equivalents (tons CO2e/year)</u>			<u>Greenhouse gas emission intensity (tons CO2e/year)</u>
		<u>Scope 1</u>	<u>Scope 2</u>	<u>Total</u>	
2023	7115	1,048.5156	14,127.7700	15,176.2856	2.13
2024	8204	1,017.4023	14,073.9144	15,091.3176	1.84
2025	8,450	1,044.3518	13,284.5965	14,328.9483	1.70

- Note 1: Direct emissions (Scope 1, directly from emission sources owned or controlled by the Company), indirect energy emissions (Scope 2, indirect GHG emissions from imported electricity, heat or steam), and other indirect emissions (Scope 3, emissions generated from corporate activities that are not indirect energy emissions but from sources owned or controlled by other companies).
- Note 2: The data coverage of direct emissions and indirect energy emissions shall be handled in accordance with the schedule prescribed in paragraph 2, Article 10 of the Principles. Information on other indirect emissions may be disclosed voluntarily.
- Note 3: GHG inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).
- Note 4: The intensity of GHG emissions can be calculated based on per unit product/service or turnover; however, at a minimum, the data calculated based on turnover (NT\$ million) shall be stated.

1-1-2. GHG assurance

<u>Year</u>	<u>Turnover (millions)</u>	<u>Total emissions equivalents (tons CO2e/year)</u>			<u>Greenhouse gas emission intensity (tons CO2e/year)</u>	Assurance institution	Assurance situation	Opinions / Conclusions of Assurance
		<u>Scope 1</u>	<u>Scope 2</u>	<u>Total</u>				
2023	7115	1,048.5156	14,127.7700	15,176.286	2.13	Metal Industries Research & Development Centre	The Metal Industries Research and Development Center conducted an ISO 14064- 1:2018 greenhouse gas inventory	Meeting the materiality threshold/reasonable assurance level
2024	8204	1,017.4023	14,073.9144	15,091.318	1.84	Metal Industries Research & Development Centre	ISO 14064-1:2018 greenhouse gas verification was carried out by the Metal Industries Research & Development Center	Meet the materiality threshold/reasonable assurance level
2025	8,450	1,044.3518	13,284.5965	14,328.9483	1.70	Metal Industries Research & Development Centre	ISO 14064-1: 2018 greenhouse gas verification was carried out by the Metal Industries Research & Development Center	Meet the materiality threshold/reasonable assurance level

Note 1: The process shall be conducted in accordance with the schedule specified in paragraph 2, Article 10 of the Principles. If the Company has not obtained the full GHG assurance opinion before the publication date of the annual report, it is necessary to indicate that "complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall state that "complete assurance information will be disclosed on the Market Observation Post System" and disclose the complete assurance information in the annual report of the following year.

Note 2: An assurance institution shall comply with requirements related to the assurance institutions on sustainability reports established by TWSE and TPEX.

Note 3: For the disclosure content, please refer to the samples of best practice principles on the website of the Corporate Governance Center, TWSE.

1-2 GHG reduction target, strategy, and substantial action plans

(Describe the GHG reduction base year and its data, reduction targets, strategies and substantial action plans, and the achievement status of reduction targets.)

Greenhouse Gas Reduction Base Year (2023), with a total emission of 15,176.286 metric tons of CO₂e. The phased target is a 10% carbon reduction by 2030, with continuous efforts to achieve net-zero emissions by 2050. Execution activities include the gradual installation of solar renewable energy photovoltaic systems, replacement of energy-efficient LED lighting, substitution with electric forklifts, and improvement of energy efficiency in production processes, etc.

Reduction target: Reduce by 10% by 2030.

Reduction strategy: Define the time range for “short-term, mid-term, and long-term,” and link it to the Company’s strategic planning while evaluating the level of impact of climate risks and opportunities on the business model and value chain of the Company.

Substantial action plan: Establish an energy management system (EnMS), identify energy conservation hot spots, make continuous improvements through the P-D-C-A management cycle, improve energy consumption efficiency, and reduce energy costs and GHG emissions.

Note 1: It shall be processed in accordance with the schedule prescribed in paragraph 2, Article 10 of the Principles.

Note 2: The base year shall be the year that the inspection is completed based on the boundary of the consolidated financial statements. For example, pursuant to paragraph 2, Article 10 of the Principles, a company with a capital of more than 10 billion shall have completed the inventory of its 2024 consolidated financial statements by 2025; therefore, the base year is 2024. If the Company has completed the inventory of its consolidated financial statements ahead of schedule, the earlier year can be adopted as the base year, and the data of the base year can be calculated by a single year or the average of several years.

Note 3: For the disclosure content, please refer to the samples of best practice principles on the website of the Corporate Governance Center, TWSE.

(VI) Implementation of corporate ethical management and measures taken:

Implementation of corporate ethical management, deviation from the Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies and causes thereof

Evaluation item	Implementation (Note 1)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Establishment of ethical management policies and programs	✓		(1) To comply with laws and uphold ethical standards, the Company not only adheres to the Company Act, Securities and Exchange Act, Business Entity Accounting Act, and other related regulations, but also established the “Ethical Corporate Management Best Practice Principles,” as approved by the Board of Directors on November 5, 2018. These principles are based on integrity, fairness, transparency, self-discipline and accountability and serve as the foundation for implementing ethical policies, strengthening corporate governance and risk control mechanisms and in pursuing sustainable development.	No difference
(I) Does the Company establish ethical management policies adopted by the Board of Directors? Does the Company clearly specify, in its regulations and external documents, the ethical management policies and practice and the commitment of the Board of Directors and the management to rigorous and thorough implementation of those policies?				
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly with the inclusion of the	✓		(2) We have established work rules, discipline rules, ethical management principles and relevant management operations to prevent unethical conduct. We have rules regulating employees’ conduct and ethics. For personnel holding posts related to the Company’s	No difference

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Evaluation item	Implementation (Note 1)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
prevention measures against each behavior specified in Article 7 Paragraph 2 of the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies”? (III) Does the Company specify the operating procedures, behavior guidelines, discipline of violation and complaint system in the prevention program for unethical conduct, and implement the program accordingly? Does the Company regular review and modify the program mentioned above?	✓		business, procurement, storage of finished products, or supervision, they are reviewed with the internal control and audit system to prevent misbehavior. (3) The Company has procedures and behavior guidelines for ethical management, the code of ethical conduct, and reporting and compliant systems in place, which are implemented thoroughly, and reviewed and modified.	No difference
II. Implementation of ethical management (I) Does the Company assess the integrity records of counterparties? Do contracts between the Company and the counterparties include clear clauses governing ethical conduct?	✓		(1) We assess the integrity record of counterparties according to relevant ethical management regulations, establish the norms of employee conduct and ethics to prevent jobbery, misbehavior, breach of confidentiality or false reports, and prohibit employees from accepting manufacturers’ invitation of entertainment and financial gifts.	No difference
(II) Does the Company establish a unit under the Board of Directors dedicated to promoting corporate ethical management and regularly (at least once a year) reporting the ethical management policy, unethical conduct prevention program, and implementation and supervision thereof to the Board of Directors?	✓		(2) The Company has established an Ethical Corporate Management Task Force responsible for formulating and implementing ethical management policies and prevention programs. The task force is convened by the head of the Administration Department, while the internal audit unit is responsible for supervision. Any	No difference

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Evaluation item	Implementation (Note 1)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof		
	Yes	No	Summary			
			unethical conduct, along with the handling process and subsequent review and improvement measures, must be reported to the Board of Directors. The implementation status of ethical corporate management for 2025 was reported to the Board of Directors on November 3, 2025. The implementation of ethical corporate management in 2025 is as follows: <table><tr><td>Supplier Commitment</td><td> 1. All suppliers are required to sign the “Integrity Commitment” and “Supplier Corporate Social Responsibility Commitment,” which clearly prohibit any corrupt practices. In 2025, 67 new suppliers signed the commitments, achieving a 100% signing rate. 2. The “Raw Materials Supplier Evaluation Guidelines” were issued to manage and regularly assess raw materials suppliers. Suppliers with poor quality performance will be disqualified in accordance with the guidelines. 3. No suppliers were disqualified due to corrupt practices in 2025. </td></tr></table>	Supplier Commitment	1. All suppliers are required to sign the “Integrity Commitment” and “Supplier Corporate Social Responsibility Commitment,” which clearly prohibit any corrupt practices. In 2025, 67 new suppliers signed the commitments, achieving a 100% signing rate. 2. The “Raw Materials Supplier Evaluation Guidelines” were issued to manage and regularly assess raw materials suppliers. Suppliers with poor quality performance will be disqualified in accordance with the guidelines. 3. No suppliers were disqualified due to corrupt practices in 2025.	
Supplier Commitment	1. All suppliers are required to sign the “Integrity Commitment” and “Supplier Corporate Social Responsibility Commitment,” which clearly prohibit any corrupt practices. In 2025, 67 new suppliers signed the commitments, achieving a 100% signing rate. 2. The “Raw Materials Supplier Evaluation Guidelines” were issued to manage and regularly assess raw materials suppliers. Suppliers with poor quality performance will be disqualified in accordance with the guidelines. 3. No suppliers were disqualified due to corrupt practices in 2025.					

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Evaluation item	Implementation (Note 1)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			Education and Training 1. Orientation training for new employees included internal regulations such as the “Ethical Corporate Management Best Practice Principles,” “Code of Ethical Conduct” and the “Procedures for Ethical Management and Guidelines for Conduct.” A total of 25 participants attended. 2. Promotion of knowledge and awareness of trademark rights, patent rights and trade secrecy laws (2 hours): 22 participants. 3. Promotion of insider trading prevention laws (2 hours): 21 participants.	
			Commitment In 2025, all new employees signed the “Personal Data Protection and Confidentiality Agreement” upon onboarding. A total of 16 employees signed, achieving a 100% signing rate.	

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Evaluation item	Implementation (Note 1)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof		
	Yes	No	Summary			
(III) Does the Company have policies against conflicts of interest and provide proper channels through which explanations may be given? Has the Company implemented them?	✓		<table><tr><td>Promotion</td><td>1. Promoted integrity and confidentiality responsibilities to all employees through bulletin boards and the internal network system. 2. Provided reporting channels for stakeholders in accordance with the “Whistleblowing Procedure.” Reporting and complaint email: jamesyu919@hegroup.com.tw</td></tr></table> (3) The Company has clearly defined a conflict of interest prevention policy in the “Procedures for Ethical Management and Guidelines for Conduct” and has established an open and fair procurement and contracting mechanism. Operations are conducted through open tenders via an electronic transaction platform. In addition, the “Stakeholder Communication” section under “Corporate Sustainability” on the Company’s website provides an external communication channel, while an internal whistleblowing mailbox is also in place, handled by designated departments.	Promotion	1. Promoted integrity and confidentiality responsibilities to all employees through bulletin boards and the internal network system. 2. Provided reporting channels for stakeholders in accordance with the “Whistleblowing Procedure.” Reporting and complaint email: jamesyu919@hegroup.com.tw	No difference
Promotion	1. Promoted integrity and confidentiality responsibilities to all employees through bulletin boards and the internal network system. 2. Provided reporting channels for stakeholders in accordance with the “Whistleblowing Procedure.” Reporting and complaint email: jamesyu919@hegroup.com.tw					

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Evaluation item	Implementation (Note 1)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(IV) Does the Company establish an effective accounting system and internal control system to implement ethical management? Does the internal audit unit formulate relevant audit plans based on the results of the unethical conduct risk assessment? Does the unit audit the compliance with the unethical conduct prevention program accordingly or commission CPAs to conduct the audit?	✓		(4) All of our operations are computerized to connect management functions with respect to human resources, finance, operation, production, materials and equipment, and engineering projects. Therefore, the Company's departments are articulated together to perform abnormality management. We also create an independent operational structure for internal audits, conduct audits according to audit plans, and make regular reports to the Board of Directors.	No difference
(V) Does the Company regularly organize internal and external training courses regarding ethical management?	✓		(5) In addition to establishing the “Work Rules,” the Company has implemented a series of internal regulations to ensure that all employees conduct business activities with the highest ethical standards and to foster a culture of integrity. These include the “Ethical Corporate Management Best Practice Principles,” the “Code of Ethical Conduct” and the “Procedures for Ethical Management and Guidelines for Conduct.” These policies outline the ethical standards and responsibilities that all employees must uphold in the course of business and are widely promoted to reinforce the Company’s commitment to ethical values and integrity, thereby building a culture of ethical corporate management. Annual training is provided to all	No difference

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Evaluation item	Implementation (Note 1)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			employees to promote awareness and internal control systems and audit operations are implemented accordingly. Through self-inspections and self-assessments of legal compliance, effective control and execution are achieved. The audit unit conducts independent audits to ensure the operation of the overall mechanism, enabling joint management and prevention of unethical conduct.	
III. Operation of the reporting system				
(I) Does the Company have concrete systems for whistleblowing and rewards? Does the Company have convenient channels in place for whistleblowing and are appropriate personnel appointed to deal with reports?	✓		(1) To implement ethical management policies, we have work rules and reporting policies in place, assign a responsible unit to accept and investigate reports, and create convenient channels for whistleblowing.	No difference
(II) Does the Company establish standard operating procedures for investigation of matters reported by whistleblowers, measures to be taken following the conclusion of investigation and relevant mechanisms for confidentiality?	✓		(2) For violations of our ethical management rules, we treat reported cases as confidential documents in accordance with the reporting policy. The Company's Auditing Office is responsible for accepting and investigating cases. If the investigation indicates that the violation indeed occurred, rewards and punishments are given based on the impact of the violation, and relevant corrective measures are put forth to prevent any recurrence.	No difference
(III) Does the Company take any measures to protect whistleblowers from improper treatment as a result of their whistleblowing?	✓		(3) The Company has the responsibility to maintain the confidentiality of whistleblowers and assure that they will not be mistreated in any way due to	No difference

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Evaluation item	Implementation (Note 1)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			whistleblowing.	
IV. Enhancing information disclosure Does the Company have the contents of its ethical management principles and the implementation thereof disclosed on the website and MOPS?	✓		The Company's implementation of ethical corporate management has been disclosed in the "Corporate Sustainability" section of the Company's website.	No difference
V. If the Company has established its ethical management practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the difference between its operation and the principles established: We have formulated our ethical management practice principles and complied with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, relevant regulations for TWSE/GTSM listed companies, and other laws and regulations related to business conduct. Our internal audit unit is responsible for conducting projects and audits.				
VI. Other information helpful in understanding the Company's ethical management: (For example, the Company's review and revision of its ethical management practice principles, etc.) We pay continuous attention to the development of relevant regulations for ethical management at home and abroad, and reviews and improves the Company's ethical management policy accordingly to enhance the effectiveness of the Company's ethical management.				

Note 1: Regardless of whether "Yes" or "No" is checked, the implementation should be described in the summary column.

(VII) Other important information helpful for better understanding the operation of the Company's corporate governance:

1. Managers' participation in corporate governance-related courses and training:

Title	Name	Training date		Organizer	Course title	Training hours
		Commencement	Conclusion			
Deputy General Manager	Liu Hsiu-Mei	2025/08/08	2025/08/08	Taiwan Corporate Governance Association	Insider Trading: A Prosecutor's Perspective	3
		2025/08/14	2025/08/14	Taiwan Investor Relations Institute	Corporate Sustainability and Risk Management	3
		2025/11/06	2025/11/06	Taiwan Corporate Governance Association	Sustainability Disclosure and Investment Value From an Investor's Perspective: Detailing ESG Disclosure Frameworks and Risk Monitoring, and Connecting Them to Capital Market Trust	3
Manager (Accounting Manager)	Wu Chia-Yu	2025/09/30	2025/10/01	Accounting Research and Development Foundation	Continuing Training Course for Issuing Broker Stock Exchange Accounting Supervisors	12
Manager (Corporate Governance Manager)	Lu Hsiu-Ying	2025/03/27	2025/03/28	Securities & Futures Institute	Sustainability Disclosure Seminar for Public-listed Companies	3
		2025/04/18	2025/04/18	Taiwan Investor Relations Association	2025 KPMG Leadership Forum - Upgrading Corporate Governance: Building a New Era of Talent Competitiveness	3
		2025/07/09	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Banking and Climate Change Summit	6
		2025/08/19	2025/08/19	Taiwan Stock Exchange	Digital Sustainability Transformation and Related Innovation Issues	6
		2025/08/29	2025/08/29	Taiwan Corporate Governance Association	Sustainable Development Conference	3
		2025/09/26	2025/09/26	Securities & Futures Institute	2025 Insider Trading Prevention Conference	3
		2025/10/31	2025/10/31	Securities & Futures Institute	2025 Insider Equity Transaction Legal Compliance Promotion Seminar	3
Audit Director	You Bao-Cing	2025/09/26	2025/09/26	Taiwan Stock Exchange	An Introduction to the Insider Trading Act and Practical Prevention Measures	3
		2025/10/21	2025/10/21	Internal Audit Association of the Republic of China	Key Aspects of Internal Control and Internal Audit in "Regulatory Compliance"	6
		2025/12/10	2025/12/10	Internal Audit Association of the Republic of China	Legal Analysis of the Board of Directors and Functional Committees (Audit, Remuneration) and Audit Priorities.	6

2. Relevant domestic and foreign licenses obtained by the Company's financial accounting and audit personnel:

1 CPA license, 7 senior securities specialist licenses, 1 securities broker specialist license, and 1 licensed bookkeeper.

3. Establishment of code of ethical conduct for employees:

(1) The Company adopted the "Work Rules" for its employees in accordance with relevant regulations, which is enacted after the approval of the board of directors to regulate employee behaviors.

(2) The Company adopted the "Code of ethical conducts" that stipulates penalties for employees using their position to seek illegal benefits, preferential treatment, gift, commission, embezzlement or other forms of illegal benefits to prevent unethical conduct. It also organizes employee training, education and seminars from time to time, and through the audit mechanisms of internal audit unit to prevent any fraudulent behavior.

4. Formulation of procedures for handling internal material information:

(1) On November 7, 2022, the Company formulated and implemented "Procedures of Handling Internal Material Information" upon approval from the Board of Directors.

(2) Handling and disclosure of internal material information are prescribed in the Company's internal control system – rules for insider trading prevention. Any public information filing shall be first authorized by responsible supervisor and controlled and uploaded by dedicated personnel who has the "certification software" installed in his/her computer along with the encryption key.

(3) A spokesperson system has been established. When the Company has material information to be made public, the Company's responsible person, spokesperson or deputy spokesperson shall be responsible to make external statements in a unified manner.

VIII Implementation of the internal control system:

1. Statement on the internal control system Please refer to the MOPS at the following path: MOPS > Company > Corporate Governance > Regulations/Internal Control > Internal Control Statement Announcement. Or visit: <https://mops.twse.com.tw/mops/#!/web/t06sg20>
2. If a CPA is retained for the conduct of the internal audit system, disclose the Auditor's Report: None.

(IX) Material resolutions made by the shareholders' meeting and the Board of Directors in the most recent year up to the publication date of the annual report:

1. Material resolutions of the shareholders' meeting

Date	Meeting type	Material resolution	Implementation
2025.06.18	2025 General meeting of shareholders	1. Acknowledgment of motion for 2024 business report and financial statements.	Approved the motion for 2024 business report and financial statements. Announcement of resolutions on the day of the shareholders' meeting.
		2. Acknowledgment of motion for the Company's 2024 earnings appropriation.	Executed as proposed, the Chairman was authorized to set July 21, 2025 as the dividend distribution base date and distribute cash dividends (NTD 1 per share) from August 20, 2025.
		3. Approved the changes to the Company's Articles of Incorporation.	After the approval by the Shareholders' Meeting in 2025, it was announced on the Company's website and handled in accordance with the revised procedures.

2. Material resolutions of the Board of Directors

Date	Meeting type	Material resolution
2025.03.03	9th Session of the 25th Board of Directors	1. Approved the motion for the distribution of remuneration to employees and directors for 2024. 2. Approved the 2024 business report, parent company only financial statements, and consolidated financial statements. 3. Approved the motion for earnings distribution for 2024. 4. Approved the motion for changes to the Articles of Incorporation. 5. Approved the motion for convening the 2025 annual shareholders' meeting. 6. Approved the motion for the operating budget in 2025. 7. Approved the motion for issuance of the 2024 "Statement of Internal

Date	Meeting type	Material resolution
		Control System.” 8. Approved the motion for CPA appointment and remuneration for 2025. 9. Approved the motion for the independence and competence assessment of CPAs for financial statements. 10. Approved the motion for the sales limits to companies. 11. Approved the motion for the application of financing limit with a financial institution.
2025.05.05	10th Session of the 25th Board of Directors	1. Approved the Company’s consolidated financial statements for Q1 2025.
2025.08.04	11th Session of the 25th Board of Directors	1. Approved the motion for the Company’s consolidated financial statements for Q2 2024. 2. Approved the motion for amendment to the Company’s “Internal Control System for Stock Operations”. 3. Approved the motion for the Company’s application for an increase in financing limit from financial institutions. 4. Approved the motion for preparation of the 2024 Sustainability Report. 5. Approved the motion for the purchase of additional equipment for the Company's Kaonan Plant. 6. Approved the motion for review of various remunerations for the Company's directors. 7. Approved the motion for amendment to the Company’s “Procedures for Election of Directors.” 8. Approved the motion for review of the policy, system, standard, structure ,performance and evaluation method of remuneration to the Company’s managers.
2025.11.03	12th Session of the 25th Board of Directors	1. Approved the motion for the Company’s consolidated financial statements for Q3 2025. 2. Approved the motion for increase of the Company’s stock trading limit for 2025 to accommodate investment needs. 3. Approved the motion for the 2026 share trading quota. 4. Approved the motion for the 2026 audit plan. 5. Approved the motion for appointment of a consultant for 2026. 6. Approved the motion for employee salary adjustment of the Company.
2026.03.09	13th Session of the 25th Board of Directors	1. Approved the motion for the distribution of remuneration to employees and directors for 2025. 2. Approved the 2025 business report, parent company only financial statements, and consolidated financial statements. 3. Approved the motion for earnings distribution for 2025. 4. Approved the motion for re-election of directors (including independent directors). 5. Approved lifting the prohibition on competition for new directors of the Company or their representatives. 6. Approved the motion for convening the 2026 annual shareholders’

Date	Meeting type	Material resolution
		meeting. 7. Approved the motion for the operating budget in 2026 8. Approved the motion for issuance of the 2025 “Statement of Internal Control System.” 9. Approved the motion for amendment to the Company’s “Internal Control System” 10. Approved the motion for CPA appointment and remuneration for 2026. 11. Approved the motion for the independence and competence assessment of CPAs for financial statements. 12. Approved the motion for amendment to the general principles of the pre-approved non-assurance service policy. 13. Approved the motion for the purchase of additional equipment for the Kaonan Plant. 14. Approved the acquisition of shares in subsidiary Hua Ho Engineering Co., Ltd. 15. Approved the motion for the sales limits to companies. 16. Approved the motion for the application of financing limit with a financial institution.
2026.05.04	14th Session of the 25th Board of Directors	1. Approved the Company’s 2026 Q1 consolidated financial statements. 2. Approved the nomination list of candidates for the 26th Board of Directors (including Independent Directors). 3. Approved the motion for amendment to the Company’s “Internal Control System for Stock Operations”. 4. Approved the motion for the Company’s application for an increase in financing limit from financial institutions. 5. Approved the proposal for the additional purchase of equipment by the Company’s Gaonan Plant.

(X) Any opinions raised by directors or supervisors against the major resolutions of the Board of Directors and included in records or stated in writing in the most recent year up to the publication date of the annual report: None.

IV. Information on CPA fees:

CPA Audit Fees

Currency unit: NTD thousand

Accounting firm	Name of CPA	CPA's audit period	Audit Fee	Non-audit fee	Total	Remark
KPMG Taiwan	Chen Yung-Hsiang, Su Yen-Ta	From January 1, 2025 to December 31, 2025	1,715	575	2,290	Tax compliance audit and assurance services

Please specify service provided for non-audit fee: (e.g. Tax audit, assurance or other financial advisory service)

Note: If there is any alternation of CPAs or accounting firm of the Company this year, please list the audit period separately and remark the reason of alternation. Information on audit fee and non-audit fee shall be disclosed in order. Service content shall be described in the remark for non-audit fee.

V. Information on replacement of CPA:

Due to the internal job rotation of the CPA firm, the CPAs for financial statements have been changed from Hsu Chen-Lung, Chen Yung-Hsiang, to Chen Yung-Hsiang and Su Yen-Ta since the first quarter of 2023.

- (I) Information about former CPAs: Not applicable.
- (II) Information about succeeding CPAs: Not applicable.
- (III) Former CPAs' reply to matters under Items 1 and 2-3, Subparagraph 6, Article 10 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies": Not applicable.

VI. The Company's chairman, general manager, or any financial and accounting manager who has worked for the CPA firm or any of its affiliates in the most recent year: None.

VII. Any transfer of equities and change in equities pledged by directors, managers, and shareholders with a stake of more than 10% in the most recent year up to the publication date of the annual report.

(I) Change in directors, managers and major shareholders' equities

Title	Name	2025		Current year, as of April 19, 2026. (The book closure date for the shareholders' meeting)	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman	First Copper Technology Co., Ltd. (Major shareholder) Representative: Wang Hong-Ren	0	0	0	0
		0	0	0	0
Director (2 seats)	Representative: Wang Hong-Ren	0	0	0	0
	Liu Chung-Jen	0	0	0	0
	Representative: Wang Wen-Ling	0	0	0	0
Director	First Copper Technology Co., Ltd. (Major shareholder) Representative: Wang Ming-Ren	0	0	0	0
		0	0	0	0
Independent Director	Wu Tong-Shung	0	0	0	0
Independent Director	Chang Jinn-Der	0	0	0	0
Independent Director	Sun Chin-Feng	0	0	0	0
General Manager	Huang Hua-Chih	0	0	0	0
Factory Director	Chen Kun-Chin	0	0	0	0
Deputy General Manager	Liu Hsiu-Mei	0	0	0	0
Deputy Factory Director	Li Hsien-Chang	0	0	0	0
Accounting Manager	Wu Chia-Yu	0	0	0	0

Title	Name	2025		Current year, as of April 19, 2026. (The book closure date for the shareholders' meeting)	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Finance Manager	Hung Chueh-Chien	0	0	0	0
Corporate Governance Manager	Lu Hsiu-Ying	0	0	0	0

Note 1: Shareholders holding more than 10% of the Company's total shares should be marked as major shareholders and listed separately.

Note 2: If the counterparty of the equity transfer or equity pledge is a related party, the following table should be filled in.

- (II) Equity transfer information: Not applicable (the counterparty of the equity transfer is not a related party).
- (III) Equity pledge information: Not applicable (the counterparty of the equity pledge is not a related party).

VIII Information about the relationships among top ten shareholders, such as related parties, spouses, or relatives within the second degree of kinship:

Information about the Relationships among the Top Ten Shareholders

Unit: Shares

Name (Note 1)	Shares held by the shareholder		Shares held by spouse and minor children		Total shares held in the names of others		The title or name and relation in case of the top ten shareholders who are related parties to each other, in a spousal relationship or within the second degree of kinship. (Note 3)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
First Copper Technology Co., Ltd. Chairman: Wang Hung-Ren	208,569,277	32.96%	—	—	—	—	Wang-Yang, Pi-O	Relatives within the second degree of kinship	
	13,419,455	2.12%	—	—	—	—	Wang Feng-Shu, Wang Wen-Ling, Wang Hong-Ming, Liu Chung-Jen		
Hua Horng Investment Co., Ltd. Chairman: Liu Chung-Jen	46,738,000	7.38%	—	—	—	—	Wang Wen-Ling, Wang-Yang, Pi-O	Spouse	
	2,362,021	0.37%	13,941,804	2.20%	—	—	Wang, Feng-Shu, Wang, Hong-Ren, and Wang, Hong-Ming	Relatives within the second degree of kinship	
Wang-Yang Pi-O	33,147,094	5.24%	0	0%	—	—	First Copper Technology Co., Ltd. Hua Horng Investment Co., Ltd. Mei-Da Co., Ltd.	The Chairman is a relative within the second degree of kinship	
							Wang Feng-Shu, Wang Wen-Ling, Wang, Hong-Ren, Liu Chung-Jen, Wang, Wei-Chun, Wang, Tzu-Chia	Relatives within the second degree of kinship	
Wang Feng-Shu	15,587,781	2.46%	—	—	—	—	First Copper Technology Co., Ltd. Hua Horng Investment Co., Ltd. Mei-Da Co., Ltd.	The Chairman is a relative within the second degree of kinship	

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							Wang-Yang, Pi-O Wang Wen-Ling, Wang Hong-Ren Wang Hong-Ming, Liu Chung-Jen	Relatives within the second degree of kinship	
Wang Wen-Ling	13,941,804	2.20%	2,362,021	0.37%	—	—	First Copper Technology Co., Ltd. Hua Horng Investment Co., Ltd. Mei-Da Co., Ltd.	The Chairman is a relative within the second degree of kinship The Chairman is the spouse	
							Wang-Yang, Pi-O Wang, Feng-Shu, Wang, Hong-Ren, and Wang, Hong-Ming Liu Chung-Jen	Relatives within the second degree of kinship .. Spouse	
Wang Hong-Ren	13,419,455	2.12%	—	—	—	—	First Copper Technology Co., Ltd. Hua Horng Investment Co., Ltd. Mei-Da Co., Ltd.	Chairman of the company The Chairman is a relative within the second degree of kinship	
							Wang-Yang, Pi-O Wang Feng-Shu, Wang Wen-Ling Wang Hong-Ming, Liu Chung-Jen	Relatives within the second degree of kinship	
Chen Kun-Jung	5,038,462	0.80%	—	—	—	—	None	None	
Wang, Tzu-Chia	4,625,452	0.73%					Wang-Yang, Pi-O	Relatives within the second degree of kinship	
Mei-Da Co., Ltd.	3,936,732	0.62%	—	—	—	—	Wang Wen-Ling Wang-Yang, Pi-O	Spouse	
Chairman: Liu Chung-Jen	2,362,021	0.37%	13,941,804	2.20%	—	—	Wang, Feng-Shu, Wang, Hong-Ren, and Wang, Hong-Ming	Relatives within the second degree of kinship	
Wang, Wei-Chun	3,911,453	0.62%	—	—	—	—	Wang-Yang, Pi-O	Relatives within the second degree of kinship	

Note 1: All the top ten shareholders should be listed. For those who are corporate shareholders, the names of the corporate shareholders and their representatives should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the ratio of shares held in the names of the shareholders, their spouse or minor children, or held in the names of others.

Note 3: The relationships among the shareholders listed above (including corporate and natural person shareholders) shall be disclosed.

IX The total number of shares held in any single investee by the Company, its directors, supervisors, managers, and any companies controlled either directly or indirectly by the Company, and the consolidated shareholding ratio.

Consolidated Shareholding Ratio

Date: March 31, 2026; Unit: Shares; %

Investee (Note)	The Company's investment		Investment by directors, supervisors, and managerial officers, or by directly or indirectly controlled enterprises		Consolidated investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
First Copper Technology Co., Ltd.	141,818,196	39.44%	577,253	0.16%	142,395,449	39.60%
Hua Ho Engineering Co., Ltd.	1,726,000	49.31%	10,000	0.29%	1,736,000	49.60%
China Ecotek Corporation	11,843,730	9.57%	0	0.00%	11,843,730	9.57%
Wafer Works Corporation	5,951,040	1.04%	0	0.00%	5,951,040	1.04%
Far EasTone Telecommunications Co., Ltd.	8,292,187	0.23%	0	0.00%	8,292,187	0.23%
Bionime Corporation	7,704,384	11.45%	0	0.00%	7,704,384	11.45%
Co-Tech Development Corp.	5,862,375	2.32%	0	0.00%	5,862,375	2.32%
Pixon Technologies Corporation	2,089,200	8.53%	0	0.00%	2,089,200	8.53%
International United Technology Co., Ltd.	987,354	6.04%	0	0.00%	987,354	6.04%

Note: It constitutes the Company's primary investment.

I. Capital and share

(I) Equity capital sources

Month/ year	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares	Amount (NTD)	Number of shares	Amount (NTD)	Equity capital sources	Property other than cash used to offset against payments	Others
July 2003	10	632,773,506	6,327,735,060	632,773,506	6,327,735,060	Capitalization of earnings NTD 31,481,270	None	Note

Note: It was approved under the Letter Tai-Cai-Zheng (1) No. 0920130603 dated July 9, 2003.

Type of shares

Type of shares	Authorized capital stock			Remarks
	Listed outstanding shares	Unissued shares	Total	
Registered common shares	632,773,506	0	632,773,506	—

Information concerning the collective filing system: Not applicable.

(II) List of major shareholders

Book closure date for the shareholders' meeting, April 19, 2026

Shares Name of major shareholder	Number of shares held	Shareholding ratio
First Copper Technology Co., Ltd.	208,569,277	32.96%
Hua Horng Investment Co., Ltd.	46,738,000	7.39%
Wang-Yang Pi-O	33,147,094	5.24%

※ Shareholders holding more than 5% of the Company's total shares

(III) The Company's dividend policy and implementation

1. Dividend policy stipulated in the Company's Articles of Incorporation

If there is a profit in the Company's annual final account, it shall be first used to pay taxes and make up for any accumulated losses, and then 10% of the profit shall be provided for the legal reserve, unless the balance of the legal reserve has accumulated to the same amount as the Company's paid-up capital. The remaining amount of the said profit shall be set aside or reversed as special reserves based on the Company's business needs and as required by law. The balance of the profit (if available) shall, together with the undistributed profits at the beginning of the year, be submitted by the Board of Directors in the form of a proposal for distribution to the shareholders' meeting for resolution.

Amid a still-growing business environment, the Company shall master the economic environment to seek sustainable operation and long-term development. Our dividend policy will focus on the principle of stability. When the Board of Directors submits a profit distribution proposal, it shall consider future profitability and plans for working capital and may reserve a portion of profits at its discretion. Profits for distribution shall account for 50% or more of distributable earnings ; however, when the accumulated distributable earnings are less than 2% of the paid-in capital, the Company may choose not to distribute earnings. Of the total dividends to be distributed for a given year, the amount of cash dividends shall not be less than 10%.

2. Dividend distribution proposed at the shareholders' meeting:

The Board of Directors resolved to distribute cash dividends for shareholders at NTD 2 per share, totaling NTD 1,265,547,012.

(IV) Impact of stock dividends proposed at the shareholders' meeting on the Company's business performance and earnings per share:

Not applicable as the earnings in 2025 were not distributed in the form of stock dividends.

(V) Remuneration to employees and directors:

1. Percentage or range of remuneration to employees and director as set out in the Articles of Incorporation:

If the Company makes a profit in the year, it shall appropriate no less than 3% of the profit for employee remuneration and no more than 2% thereof for director remuneration. However, the profit shall be first retained for the Company's accumulated losses, if any.

At least 30% of the employee compensation amount must be allocated to frontline employees.

2. The basis for estimating the amount of employee and director remuneration and 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:

Based on the 2025 pre-tax net profit of NTD 2,610,252 thousand (pre-tax net profit refers to the amount before deduction of employees' and directors' remuneration), the Company has estimated employees' remuneration of NTD 78,308 thousand and directors' remuneration of NTD 7,000 thousand in accordance with the percentages stipulated in the Articles of Incorporation. If the actual amounts distributed in the following year differ from the estimated figures, the difference will be accounted for as a change in accounting estimate and recognized in the 2026 profit or loss.

3. Remuneration for distribution approved by the Board of Directors
 - (1) The amount of remuneration to employees and directors distributed in cash or stocks
 - ① The amount of remuneration to employees distributed in cash is NTD 78,307,546.
 - ② The amount of remuneration to directors distributed in cash is NTD 7,000,000.
 - ③ If there is a difference from the amount estimated in the year in which the expense was recognized, the difference, reasons and treatment shall be disclosed:

There is no difference between the amount to be distributed approved by the Board of Directors and the expense recognized.
 - (2) The amount of employee remuneration distributed in stocks and its proportion to the total of after-tax net profit and employee remuneration stated in the separate financial statements of the current period: None.
4. Actual distribution of employee and director remuneration in the previous year:
 - (1) The amount of remuneration to employees distributed in cash was NTD 25,025,390.
 - (2) The amount of remuneration to directors distributed in cash was NTD 4,170,898.
 - (3) If there was a difference with the recognized amount of remuneration to employees and directors, the difference, reasons

and treatment should be stated:

There was no difference between the amount distributed in the previous year and the estimated amount.

(VI) Repurchase of the Company's shares:

Not applicable as the Company does not repurchase its shares.

II. Issuance of corporate bonds, preferred stock, overseas depositary receipts, employee stock options and restricted employee shares, status of merger and acquisition (including merger, acquisition and division), and implementation of fund utilization plans:

The Company is not subject to any of the above situations.

I. Business item

(I) Business scope:

1. The Company's business activities are as follows:

- (1) Manufacturing, processing, sales and export of wires and cables, and composite optical fiber cables.
- (2) Processing, manufacturing, sales and export of electrolytic copper, copper ingots, copper products, copper wires, enameled wires, and copper bars.
- (3) Design, manufacturing, sales, and construction of photoelectric transmission equipment and photoelectric converters, and manufacturing and sale of optical fibers.
- (4) Manufacturing and sales of production equipment for wire and cable products.
- (5) Power and communication engineering design, construction maintenance and technical services.
- (6) Manufacturing and sales of electrical appliances, power and communication equipment, communication user circuit wiring equipment, communication user circuit testing and maintenance equipment (telephone user loop telemetry interface isolators, user security devices, etc.).
- (7) Processing, manufacturing, sales and export of 22KV and above-69KV cable joints.
- (8) Electrical installation business: High and low voltage electrical equipment installation projects and power transmission and distribution line projects outsourced by Taipower Company.
- (9) Commission of constructors to build residential and commercial buildings for sale and lease.
- (10) Sale and manufacturing of furniture.
- (11) Brokerage business related to houses for sale and rental properties.
- (12) Food, tobacco and alcohol business.
- (13) Acceptance of rezoning commissions. (with the exception of architectural commissions)
- (14) Operation of parking lots and supermarkets.
- (15) Landscape gardening design and construction (with the exceptions of construction and architectural commissions)
- (16) Manufacturing and sale of ready-mixed concrete.
- (17) Manufacturing and sale of cement products.

- (18) Manufacturing, processing, and sales of stainless steel plates and stainless steel pipes.
 - (19) Manufacturing and sales of steel plates and steel.
 - (20) Processing, manufacturing and sale of electronic products.
 - (21) Operation of bowling alley business.
 - (22) Provision of technical services for hospital operation and management, and consulting, analysis and advisory services.
 - (23) Import and export of the said products.
 - (24) H703010 Rental of factories.
 - (25) H703020 Rental of warehouses.
 - (26) H703030 Rental of commercial buildings.
 - (27) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
2. Business proportion: (1) Copper wire: 15% (2) Power cable: 48% (3) Optical fiber cable: 1% (4) Copper sheet: 2% (5) Others: 14%

3. The Company's current products:

Item	Product name	Description of the use
1.	Oxygen-free copper wire	Conductors for various wires and cables, and ultra-thin electronic (motor) wires.
2.	Special oxygen-free copper	Special copper materials for wind power generation and electric vehicle industries
3.	Wire and cable	The power required for supplying the low, medium and high voltage transmission lines (300V~345kV) of Taiwan Power Company and medium and low voltage distribution lines of various private units.
4.	Communication cable	For digital transmission of communication and network information
5.	Fiber optic cable	Used as a high-speed digital broadband network and fiber-to-the-home service transmission.

4. New products planned for development:

- (1) Development of new high-quality oxygen-free copper materials.
- (2) Development of spider web ribbons.
- (3) Development of diameter reduction grooved optical cables.
- (4) Development of low-carbon cable materials.

(II) Overview of the industry:

1. Current situation and development of the industry:

- (1) The wire and cable industry in Taiwan has long been a key foundational industry, playing a crucial role in national infrastructure and economic development. This industry is widely involved in multiple fields, including energy, communications, transportation, and construction. According to the Taiwan Electric Wire & Cable Industries Association, there are currently 109 member manufacturers producing a wide range of products, including electrical wire and cable products required for power transmission and distribution, construction projects, communication equipment, and industrial equipment. The industry is dominated by medium- and large-sized manufacturers, including many publicly listed companies. The products cover low-voltage, medium-voltage, and high-voltage power cables; communication cables and optical fibers; building wires; and industrial and special-purpose cables. The market demand mainly comes from domestic infrastructure, power projects, the electronics industry, and export markets. At present, the demand for wires and cables in Taiwan mainly comes from the following areas: Taiwan Power Company's power grid reinforcement and equipment upgrade plan, which has driven demand for power cables by improving the stability of the transmission and distribution system; urban renewal, residential construction, and public works projects, which are increasing demand for wires and cables; energy transition policies focused on offshore wind and solar power, which are boosting demand for power transmission cables; and the growth of the semiconductor and electronics industries, which is driving demand for specialized wires and cables.
- (2) Although the wire and cable industry is considered a traditional sector in Taiwan, limited domestic market potential has prompted manufacturers to actively increase exports to seek broader growth opportunities. To meet the demands of the export market, the industry's supply chain is integrating, forming a highly efficient

production-sales collaboration model. Companies are closely cooperating with local industries, government agencies, and academic institutions to develop key components and new materials, aiming to reduce reliance on imported high-end equipment and enhance the self-sufficiency of the domestic supply chain. At the same time, the wire and cable industry is accelerating automation processes, reducing dependence on manual labor while improving production efficiency and flexibility. Under government guidance, Taiwan is gradually aligning its CNS national standards with the International Electrotechnical Commission (IEC) standards in accordance with World Trade Organization (WTO) principles. This initiative not only facilitates industrial upgrading but also enhances product quality, lowers production costs, and strengthens international competitiveness. Through these comprehensive measures, Taiwan's wire and cable industry is steadily advancing towards a more prosperous and sustainable future.

- (3) Taiwan's wire and cable industry has been able to benefit from increased global demand for environmental protection and renewable energy. Related developments include solar power, wind power, and other renewable energy projects, which have led to increased demand for wires and cables. Coupled with the popularization and application of 5G technologies, wires and cables play a crucial part in supporting high-speed, high bandwidth communications. The upgrade and expansion of Taiwan's communications infrastructure has brought about new business opportunities for the wire and cable industry.
2. Correlation among the upstream, middle-stream, and downstream industries:
 - (1) Upstream industry: SCR and oxygen-free copper manufacturers such as Hua Eng, Pacific Electric Wire and Cable, Walsin, etc..
 - (2) Middle-stream industry: Manufacturers of hard/soft drawn stranded copper wires, high-, medium-, and low-voltage power wires, communication wires, optical fiber wires, electric wires, enameled wires etc., such as Hua Eng, Walsin, Taya, etc..
 - (3) Downstream industry: Units using wires and cables, such as Taipower, Chunghwa Telecom, infrastructure, private contractors, etc.
3. Development trends and competition of products:
 - (1) Copper wire: Due to the offshoring in the industry, we export our copper wires to Mainland China and Thailand, develop our business in the automobile, electronic medical equipment, solar power, and ultra-thin copper wire markets, maintain the sale of

oxygen-free copper, and achieve market segmentation with our advantage of high quality.

(2) Power cable:

- ① According to “Grid Resilience Strengthening Construction Plan” announced by TaiPower, a total of NT\$564.5 billion will be invested over the next ten years. The plan consists of promotion of distributed grids (NT\$437.9 billion), enhancement of grids (NT\$125.0 billion) and strengthening of system defense capabilities (NT\$1.69 billion). The Company seeks to win orders by working with TaiPower’s roadmap.
- ② We improve the special armored cables for petrochemical plants.
- ③ We increase the market share of our niche rubber products.
- ④ We enhance our heat-resistant and eco-friendly RoHS cables.
- ⑤ We reduce the cost of power cables and processing expenses.

(3) Communication cable:

- ① As the number of communication copper cables used by Chunghwa Telecom has decreased year by year, we increase the number of communication copper cables exported overseas and integrate manufacturing processes to reduce the costs.
- ② Chunghwa Telecom has promoted the 4G and 5G broadband networks, cloud storage and e-payment, FTTH program, IoV, autonomous driving through 5G and IoT.

(4) Development of Products

- ① Development of the 345KV ultra-high voltage cable and its splicing materials.
- ② FTTH optical fiber cables (flat optical fiber cables, indoor optical fiber cables, low-friction optical fiber cables, and micro-tube optical fiber cables).
- ③ Introduction of new assembly equipment to produce wire-armored cables in British Standards
- ④ EN 50618 and IEC 62930 certification of PV cables
- ⑤ Coated annealed stranded copper wires received the CNS mark

- (5) With the government actively promoting localization policies, the domestic wire and cable industry continues to drive technological innovation and R&D through strengthened technical cooperation, leading to increasingly sophisticated products. These high-quality products not only meet domestic market demand but also open doors to overseas markets. However, in recent years, industrial relocation to overseas markets and slowing domestic demand growth (except for business opportunities from Taiwan Power Company's non-nuclear homeland project) have limited future growth expectations. To address this challenge, wire and cable manufacturers are adjusting their strategies, focusing on expanding into mainland China and developing countries to explore new growth opportunities. By increasing investments in these regions, manufacturers aim to expand their business in larger markets and achieve sustainable development. This strategic shift not only helps alleviate competitive pressures in the domestic market but also brings new growth opportunities to the wire and cable industry.
- (6) The demand in the copper market grew, driven by investments or capacity expansions of returning Taiwanese businesses and the government's policies for energy transformation. Selling prices went up as manufacturers reflected the significant increase of copper costs. As a result, the production value increased to NT\$107.9 billion for domestic copper wires and NT\$61.8 billion for electrical wires and cables. The Company continued to grow.
- (7) However, if the government can promote a range of economic policies to expand domestic demand in a timely manner (i.e., Taipower's "Grid Resilience Strengthening Construction Plan", coal-fired power plants, solar energy, wind power plants, HSR extensions, MRT systems, Taiwan Railways' improvement project and forward-looking track construction), such measures will contribute to an improved investment environment, as well as stimulating economic development. This would have a positive effect on the industry, bolstering its competitiveness.

(III) Overview of technologies and R&D

R&D expenses invested and successfully developed technologies or products in the most recent year up to the publication date of the annual report:

Unit: NTD thousand

Year	Research expense	Results
2025	12,183	
As of the publication date of the annual report	5,794	1. R&D of spider web ribbons. 2. Development of fine-diameter grooved optical cables. 3. Development of multiplier optical cable filled with a micellar tube.

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

1. Short-term business development plan:

- (1) Develop high-quality oxygen-free copper DIP and expand our business to the markets in Mainland China, Thailand and Japan.
- (2) Power engineering project:
 - ① Ultra-high voltage power engineering projects, including 161KV and 345KV projects.
 - ② Submarine cable engineering projects.
 - ③ Special armored cables for petrochemical plants.
 - ④ Heat-resistant rubber cables for thermal power plants.
 - ⑤ Addition of wires specific for stations in the MRT and HSR.
 - ⑥ LSFH power cables for large-scale plants in science parks.
 - ⑦ Bid for the 161KV project in response to the “Phase I Plan for Grid Enhancement through Offshore Wind Power”, a government's policy for developing offshore wind power generation.
- (3) FTTH communication and smart buildings
- (4) Expand our business to the power cable markets in Japan and Southeast Asia.

2. Long-term development plan:

- (1) Keep in touch with the ITRI or other research institutions to seek for opportunities in new industries.
- (2) Recruit and train talents to enhance the talent training program implemented together with the academic community on a continuous basis.
- (3) Development of high-voltage and ultra-high-voltage power cables.
- (4) Promotion of smart cable and monitoring system technology.

3. Intellectual property management plan:

The Company adheres to the principles of integrity and implements an intellectual property management plan to protect its research and development achievements and trade secrets, thereby achieving its business objectives and enhancing its competitiveness.

(1) Trademark management

- ① In response to business development and to build brand image, we conduct preliminary trademark searches, risk assessments, and trademark registration applications.
- ② Strengthen trademark registration strategies and protection rules.
- ③ Regularly conduct trademark extensions and verify that trademark users are using the mark as approved and retaining records of use to ensure the trademark remains valid.
- ④ A dedicated unit is responsible for preserving and cataloging rights-related documents.

(2) Patent management

- ① Enhance R&D personnel's patent knowledge and effectively initiate the patent enforcement process.
- ② In conjunction with business development, conduct immediate patent searches to support business development, and propose and apply for patent registration strategies.
- ③ Understand the registration and protection regulations for patents.
- ④ A dedicated unit is responsible for patent rights enforcement, patent document preservation, and record-keeping.

(3) Trade secret management:

- ① Strengthen employee management and continue to ensure new employees uphold their commitment to the Company's confidentiality obligations and sign relevant confidentiality agreements and related documents.
- ② Optimize existing employees' awareness of confidentiality and their compliance with confidentiality obligations to prevent leaks of company confidential information and infringement of others' intellectual property rights.
- ③ Enhance the classification standards for highly confidential documents to ensure all sensitive information is protected and effectively prevent information leaks.
- ④ A dedicated unit is responsible for establishing trade secret information and promoting related policies.

(4) Implementation status

- ① The content of the aforementioned "Intellectual Property Management Plan" is disclosed on the Company's website.
Trademark rights: As of September 2025, the Company had registered 4 trademark in Taiwan.
Patents: As of September 2025, the Company owns a total of 4 patents.(The Company originally held four patent certificates, the patent rights for which expired on April 26, 2022, and were extinguished upon expiration.)
- ② Internal education and training was completed on September 11, 2025, aimed at strengthening internal staff's knowledge and understanding of intellectual property law, and ensuring that intellectual property rights management concepts were integrated into operational processes.
- ③ Improvement plan: Scheduling an audit plan is recommended, while continuously improving and optimizing the plan to align with revisions to intellectual property laws and regulations, ensuring the management system remains compliant.
- ④ The "intellectual property management plan and its implementation status," aligned with operational goals, is reported to the Board of Directors annually.

II. Market and sales overview:

(I) Market analysis:

1. Domestic sales account for 97%, mainly supplying public and private sector enterprises; Exports account for 3%, with main export destinations in mainland China.
2. Market share, and future supply, demand and growth in the market:
 - (1) The proportion of our products in the domestic market is as follow: Power wire and cable: 60%; communication wire and cable: 1%; copper wire: 21%, engineering and others 18%.
 - (2) The government actively increases domestic demand by promoting the Phase I Plan for Grid Enhancement through Offshore Wind Power, MRT projects, Taipower's projects for building Linkou, Dalin, Tongxiao, Xingda, Taichung, and Longjian Power Plants, and private petrochemical plants in order to raise the demand for wires and cables.
 - (3) Taipower is currently encouraging the development of green energy, including solar power, on-land wind power, offshore wind power, hydraulic power (small hydropower and micro hydropower), geothermal power, community renewable energy projects. In addition, to facilitate the promotion and development of green energy, Taipower has initiated the first phase plan of the green energy project. It expects to build various facilities for renewable energy by 2024, including hundreds of electrical substations and long transmission lines. The massive demand for renewal and underground of wires and cables will also drive the demand for large-scale 345KV ultra-high engineering projects with materials provided.
 - (4) The government allows the privatization of telecom firms and the building of private landline systems. To improve the quality of domestic telecom transmission lines and respond to the digital transformation of network systems, IoT, e-payment and cloud storage, a 5G optical fiber transmission network has been built, thereby progressively increasing the use of optical fiber cables, and categories 5 and 6 network cables.
3. Competitive advantages, favorable and unfavorable factors for future development and countermeasures:
 - (1) Competitive advantage:
 - a. We offer precise delivery time, good quality, and R&D of new products.

- b. We control technical design, production arrangement, inventory management, distribution and sale, etc. through the MIS information management system to strictly control costs.
- c. We have been approved and registered under the International Organization for Standardization (ISO 9001) by the Commodity Inspection Bureau of the Ministry of Economic Affairs and passed the CSA and UL certifications. Our CNS4898, CNS3471, flame-resistant, heat resistant, and LSFH cables have passed the LR certification; the 840⁰C fire-resistant cables and 380⁰C heat-resistant cables have been certified by the National Fire Agency; the Category 6 Lan cable type CMR CM CMX cables have passed the UL certification; the marine cables have passed the ABS and DNV certifications. We also have passed the Taipower ACSR aluminum wire certification. We are qualified to produce 161KV power transmission and distribution cables for Taipower. We have passed the ISO-9001 Quality Assurance System certification. We have passed Japan's PSE certification for power wires. Eco-friendly RoHS cables. Also, our "Test Laboratory" passed the ISO IEC 17025(2017)TAF laboratory certificate.
- d. Through experience and technologies that have been passed on for years, we conduct research, reduce costs and actively develop new products on a continuous basis to enable our products to be more competitive in the market.

(2) Favorable factors for future development:

With Taiwan's push for "Smart Manufacturing," the wire and cable industry is shifting towards automation and intelligent production. This help to improve efficiency, reduces labor costs, and enhances product quality and competitiveness. The industry will continue to drive technological innovation and industrial upgrades, adopt new materials, new processes, and new technologies to produce more efficient, energy-saving, and environmentally friendly products. For example, cross-linked polyethylene (XLPE) cables are gradually replacing some polyvinyl chloride (PVC) cables due to their superior performance. As global focus on environmental protection and sustainability increases, green and eco-friendly cables are expected to become the mainstream in the future. These cables feature pollution-free, safe, and environmentally friendly properties, aligning with future development trends. Taiwan's wire and cable industry is actively

responding to this trend, developing products that comply with green and eco-friendly standards to meet market demands.

(3) Unfavorable factors for future development:

- a. A major disadvantage facing Taiwan's wire and cable industry is that domestic market demand is reaching saturation. As infrastructure projects mature and wire and cable products become more widely adopted, market demand growth slows down. This results in intense market competition, with profit margins shrinking.
- b. As a result of the ambiguity in the architectural industry, the demand for architectural wires has decreased and the cost of materials has risen significantly, thereby lowering the gross profit of products. The number of our business orders shows a tendency to decrease thanks to the reducing demand for domestic plant construction or expansion as industries have moved overseas.
- c. Owing to the trend of global trade liberalization, the competition in the wire and cable market becomes more and more intense. Since Taiwan does not join the Association of Southeast Asian Nations, there are tariff barriers for export. Moreover, the competitiveness in the domestic and foreign market has been significantly affected by increasing management costs as a result of the worse investment environment, shortened working hours, increased labor costs, and raised awareness of environmental protection in Taiwan, and the competition has been getting fierce in the industry. Therefore, there is a trend towards a decrease in business profits.
- d. The government's orientation for energy policies will affect the sale of cables.

(4) Countermeasures:

- a. Market share will gradually concentrate among large-scale manufacturers with strong branding, quality, and technological advantages, prompting industry consolidation.
- b. We reduce production costs, enhance product quality, reinforce quality control and actively develop new products to respond to domestic and foreign industrial upgrades and to meet the demand of government agencies, national defense and economic construction so as to gain the most favorable competitive advantage for the Company.

(II) Important uses and production processes of main products:

1. Important uses of main products:

- (1) Oxygen-free copper wire: is a main material for producing wires and cables.
- (2) Power cable: is a main medium for power transmission to supply power mainly to industrial firms.
- (3) Communication cable: is a main appliance for telecommunication transmission and high fidelity telecommunication transmission.

2. Production process:

Copper plate→Oxygen-free copper wire→Drawing and stranding→Laying up→Coating→Finished cable

(III) Supply status of primary raw materials:

1. Electrolytic copper plate: Import from overseas.
2. XLPE ultra-high voltage insulating material: Import from overseas.

(IV) Main suppliers and customers:

1. Suppliers that have accounted for more than 10% of total purchases in any of the most recent two years

Unit: NTD thousand

2025					2024				As of March 31, 2026 (Note 2)			
Item	Name	Amount	Proportion to annual net purchases %	Relationship with issuer	Name	Amount	Proportion to annual net purchases %	Relationship with issuer	Name	Amount	Proportion to net purchase in current year up to the end of the previous quarter %	Relationship with issuer
1	Supplier B	2,606,982	27.31	None	Supplier B	1,271,215	13.14	None	Supplier B	821,259	29.05	None
2	Supplier C	1,714,373	17.96	None	Supplier C	1,217,944	12.59	None	Supplier C	245,924	8.70	None
3	Supplier A	1,051,639	11.02	None	Supplier A	1,832,422	18.94	None	Supplier A	362,562	12.83	None
4	Supplier D	977,066	10.24	None	Supplier D	298,260	3.08	None	Supplier D	234,338	8.29	None
5	Others	3,195,808	33.47	—	Others	5,055,223	52.25	—	Others	1,162,815	41.13	—
	Net purchase	9,545,868	100.00		Net purchase	9,675,064	100.00		Net purchase	2,826,898	100.00	

Note 1: The names of suppliers that have accounted for more than 10% of total purchases in the most recent two years, and their purchase amounts and proportions should be listed. However, the names of the suppliers may be replaced with code names if disclosure of the name of the supplier or counterparty is not allowed due to contractual obligations or if the counterparty is an individual and a non-related party.

Note 2: As of the publication of the annual report, if a company that has been listed on an exchange or whose stock has been listed on an exchange for trade has financial data audited or certified by CPAs in the most recent period, the data should also be disclosed.

Reasons for increase or decrease: Reduction of procurement cost in response to the drastic fluctuations of international copper prices.

2. Customers that have accounted for more than 10% of total sales in any of the most recent two years

Unit: NTD thousand

2025					2024				As of March 31, 2026 (Note 2)			
Item	Name	Amount	Proportion to annual net purchases %	Relations hip with issuer	Name	Amount	Proportion to annual net purchases %	Relations hip with issuer	Name	Amount	Proportion to annual net purchases %	Relations hip with issuer
1	Customer A	2,649,511	23.38	None	Customer A	2,071,067	18.28	None	Customer A	788,418	22.83	None
2	Others	8,681,920	76.62	—	Others	9,257,938	81.72	—	Others	2,664,701	77.17	—
	Net sales	11,331,431	100.00		Net sales	11,329,005	100.00		Net sales	3,453,119	100.00	

Note 1: The names of customers that have accounted for more than 10% of total sales in the most recent two years, and their sales amounts and proportions should be listed. However, the names of the customers may be replaced with code names if disclosure of the name of the customer or counterparty is not allowed due to contractual obligations or if the counterparty is an individual and a non-related party.

Note 2: As of the publication of the annual report, if a company that has been listed on an exchange or whose stock has been listed on an exchange for trade has financial data audited or certified by CPAs in the most recent period, the data should also be disclosed.

Reasons for increase or decrease: None.

III. Employee information

Information on employees in the most recent two years up to the publication date of the annual report

Year		2025	2024	As of March 31, 2026
Number of employees	Management personnel	231	233	230
	Technical personnel	66	61	68
	Construction personnel	373	367	371
	Total	670	661	669
Average age		47.62	47.87	47.73
Average years of service		16.84	17.20	16.86
Education distribution	Ph.D.	1	1	1
	Master's degree	49	48	49
	College and university	321	310	325
	High school	226	237	225
	Below high school	73	65	69

IV. Information on environmental protection expenditures:

(I) Environmental Violations in 2025:

1. There were no violations of environmental protection regulations.

(II) Future countermeasures and possible expenditures:

1. Future countermeasures or improvements: We observe laws and regulations and make improvements on a continuous basis.
2. Possible expenditures: The expenditure required in 2026 is about NTD 4.0 million.

V. Labor relation:

(I) The Company's employee welfare measures, continuing education, training, retirement systems and their implementation, as well as the agreements between labor and management, and measures for protecting employees' rights.

1. Main employee welfare measures are as follows:

(1) Safety and healthcare

- a. Regular health checks for employees
- b. Doctors providing consultation at the factory
- c. Health workshops
- d. Infirmary and library facilities
- e. Uniforms and safety shoes

(2) Bonuses and holiday benefits

- a. Employees' remuneration
- b. Bonuses for special contributions
- c. Year-end bonus
- d. Labor Day souvenir
- e. Gift money for Mid-Autumn Festival
- f. Birthday gift money for employees

(3) Education and entertainment

- a. Employee canteen and meal groups
- b. Subsidies for employee travels
- c. Recreation subsidies
- d. Year-end celebrations

(4) Family care

- a. Gift money, wall hangings with words of congratulations and flowers for weddings of employees and their children

- b. Condolence money, wall hangings with words of solace and flowers for funerals of employees, their spouses and children
 - c. Scholarships for employees and their children
 - d. Childbirth gift money for employees and their spouses
 - e. Unpaid parental leave
 - f. Breastfeeding room
 - g. Corporate childcare contract with nearby kindergartens
- (5) Safety and protection
- a. Labor insurance
 - b. National health insurance
 - c. Group injury insurance for employees
 - d. Pensions and severance pays
 - e. Gold medal for retirement at full age

2. Employee training and continuing education:

- (1) We budget for internal training, external training and various continuing education allowances for employees every year to organize skill and knowledge training.
- (2) The Company's training expense in 2025 was NTD 293,120. The continuing training for employees is described as follows:

Course title	Session	Total number of persons	Total hours	Expense amount
Management	3	65	93	31,500
Specialized study and training	41	231	507	36,900
Quality control	6	28	50	21,700
Environment, safety and health	68	160	970	203,020
Computer information	44	120	508	0
Total	162	604	2,128	293,120

3. Retirement system

To allow our employees to have peace of mind while working and feel protected regarding their retirement life, we have established employee retirement regulations based on the “Labor Standards Act” (hereinafter referred to as “old pension system”) and the “Labor Pension Act” (hereinafter referred to as “new pension system”) to ensure our employees' retirement rights. For employees who choose to use the old pension system, an authorized percentage of the employee’s monthly salary is appropriated for labor pension funds and employee retirement funds every month; for

employees who choose to use the new pension system, the Company appropriates no less than 6% of the employee's monthly salary to the individual labor pension account every month.

4. Collective bargaining agreements

The Company has established an enterprise labor union. However, to date, the labor union has not submitted a negotiation draft of a collective agreement to the Company. It's still under negotiation, and no collective agreement has been signed.

5. Other important agreements: None.

(II) For any loss sustained as a result of labor disputes in the most recent year up to the publication date of the annual report, the estimated amount of such losses incurred to date or likely to be incurred in the future, and countermeasures shall be disclosed: We have provided complete welfare measures and management policies and maintained a good labor relation in the most recent year up to the publication date of the annual report. There was no labor disputes and relevant losses. We expect that no such incidents will occur in the future.

(III) Protection measures for the working environment and employees' personal safety:

Since our business is a traditional business, there are risks of high temperature, noise and dust hidden in our work environment. Therefore, our employees are protected with construction control and personal protective equipment. For employees performing normal operations, we offer (regular) medical check-ups and health management programs. Every year, we provide special medical check-ups for employees performing tasks with special health hazards (such as tasks involving high temperature, noise, dust, etc.); we arrange evaluation and health education for those whose medical test shows any abnormality and who are subject to the second-level management. At the same time, the Company has established relevant prevention policies and complaint mechanisms to address social and psychological hazards such as illegal workplace violations, bullying, and sexual harassment. The Company clearly states a zero-tolerance policy and provides employees with a safe, respectful, and friendly work environment. Our safety and health system and management measures are as follows:

1. ISO 45001: 2018 certification and safety management (valid from January 27, 2026 to January 26, 2029):

We have passed the certification of the occupational safety and health management system (ISO-45001) certified by the DQS. Through a circulation mechanism with stages of safety and health planning, implementation, review and improvement, we are able to perform comprehensive safety and health management and create a safe and healthy workplace.

2. Appointment of the Company's responsible units and personnel for safety and health, and environmental management:
 - (1) We have formed a safety and health management committee with the factory director serving as the head member. The committee holds regular meetings to discuss related issues and establish safety and health management guidelines. The number of labor representatives accounts for more than one third of the members of the committee as required by laws in order to provide an official channel for the management and employees to discuss safety and health issues face to face.
 - (2) Our safety and health management unit consists of a safety and health supervisor, safety and health administrators and safety and health personnel to handle relevant affairs, and is approved by the competent authority. In terms of environmental protection, we obtained the DQS accreditation of our ISO 14001:2015 environmental management system (valid from January 27, 2026 to January 26, 2029). There is dedicated personnel responsible for environmental protection and management.
3. Promotion of the factory greening program:

In line with the plant environment improvement plan, we have planned to plant trees, flowers, lawns, etc. in the factory with a total area of 25 thousand square meters. We will continue to promote the factory greening program compatible with construction projects.
4. Supplier and contractor management:

The Company has been dedicated to serving as a good corporate citizen and fulfilling the corporate social responsibility. We promise to not only provide a safe workplace for employees, but also work together with suppliers to implement the corporate social responsibility. Therefore, our supplier management policy is oriented towards “requiring our suppliers to follow regulations related to environmental protection, safety and health issues, fully understand relevant information and make adequate communication in order to encourage them to improve their environmental protection, safety and health performance.” In practice, we treat our suppliers as our important partners, work together with them to improve safety and protection in the workplace, and further require them to meet requirements in relation to environmental protection so as to fulfill the corporate social responsibility.

In addition to those described above, we also pay close attention to the compliance risk and the following matters of suppliers due to the characteristics of our business to ensure our employees’ safety in the workplace:

 - (1) High-risk tasks are defined to conduct targeted control measures.

- (2) Suppliers are required to present professional technician licenses required by laws.

In terms of contractor management, safety kickoff meetings are held before each project is awarded, with participation from contractors, project supervisors, and safety and health managers. These meetings cover the factory's safety and health regulations and operating precautions, and complete meeting records are maintained.

5. Important safety and health management works:

- (1) Safety and health considerations for procurement, contracting, and change management

Formulate relevant safety and health management measures for procurement, contracting projects, and changes to work content to ensure that operational risks are assessed in advance and that necessary protections and controls are implemented.

- (2) Hazardous chemicals management

A system for the identification, labeling, storage, and use of hazardous chemicals, along with employee training, has been established in accordance with relevant regulations. Management performance is regularly reviewed to reduce the risk of chemical exposure to employee health and the work environment.

- (3) Dangerous machinery and pinch hazard prevention

Safety standards have been established for dangerous machinery, pinch hazards, cranes, stackers, and other equipment. Regular inspections and checks are conducted to ensure operating personnel are qualified and trained.

- (4) New employee safety and health training

New recruits receive "Safety and Health Orientation Training" upon joining the Company. In doing this, new recruits are able to fully understand basic safety regulations and operational risks in their working environment and develop appropriate safety awareness.

- (5) Regular safety training for in-service employees

Existing employees are required to complete at least three hours of regular safety and health education and training every three years. The training covers workplace risk identification, accident case studies, and preventive measures to continuously reinforce safety awareness.

- (6) Fire safety: Subject to the Fire Services Act, we set up a complete fire safety system to provide protection for the factory and personnel. We also conduct regular inspections, submit reports, perform fire safety training and emergency drills pursuant to laws and regulations.

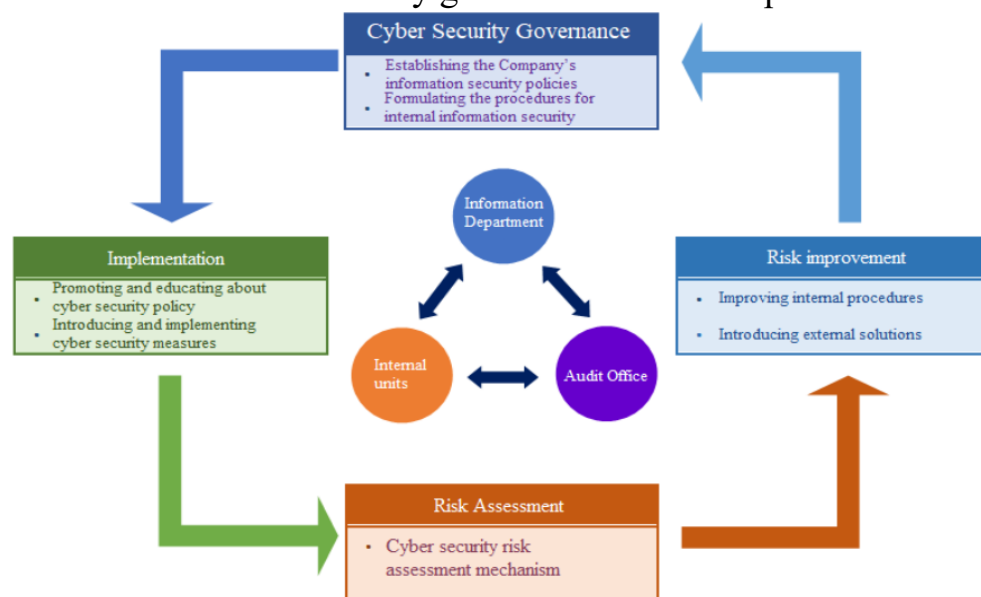
6. Safety and environment management and performance evaluation measures:
 - (1) Regular inspection for hazardous machinery and equipment and work sites: All machinery and equipment are legally qualified through regular inspections. Operators have professional licenses and regularly take on-the-job training.
 - (2) The Company conducts regular inspections related to safety, hygiene, environmental protection, and fire safety. This institutionalized inspection mechanism allows for ongoing review of the management performance and risk control measures of each unit. A performance evaluation system has also been established to select outstanding units and provide immediate bonuses as positive incentives. This approach encourages all units to proactively implement safety and health management and to continuously improve overall workplace safety and sustainable operational performance.
7. Appointment of nurses and stationed doctors:
 - (1) Employee medical check-ups and medical examination data management.
 - (2) Free doctor consultation and nurses' health care
 - (3) Helping employees participate in health improvement programs.
 - (4) Dealing with incidents employees encounter and coordinate related matters.
 - (5) Providing information about prevalent diseases in the society and matters with respect to health maintenance to employees.
8. Workplace prevention of illegal infringement, bullying, and sexual harassment measures:
 - (1) Policies to prevent workplace harassment, bullying, and sexual harassment have been formulated to explicitly prohibit any form of inappropriate behavior.
 - (2) A grievance, investigation, and confidentiality mechanism is in place to ensure that the rights of complainants are not adversely affected.
 - (3) Through training and education, employees' and managers' understanding of respect in the workplace, communication, and conflict management is reinforced.
 - (4) Psychological counseling or referral resources are provided if necessary, helping employees cope with workplace stress and psychological distress.

VI. Cyber Security Management:

(1) Cyber Security Risk Management:

1. Cyber security risk management framework

- The Company's IT Department is responsible for its information security and takes charge of planning, implementing and promoting matters related to information security as well as increasing awareness for information security.
- The Company's Audit Office is the audit unit for information security control. If any shortcoming is found, the audited unit is required to propose the improvement plan and submit such a plan to the board of directors' meeting. Subsequently, regular follow-up shall be made to further reduce the internal cyber security risk.
- The organizational operation is managed with the PDCA method to ensure the achievement of reliability goal and continual improvement.



2. Cyber Security Policy

This policy is stipulated in an effort to carry out an effective information management system, and maintain the confidentiality, completeness and availability, so as to ensure the secure operation of information system and network and achieve the goal of sustainable management.

3. Specific management program (same as those on the Company's website)

Cyber Security Management Program		
Item	Description	Relevant Measures
Privilege Management	Management for personnel accounts and privileges and measures for system user behaviours	• Management and approval for personnel account privilege management • Regular stock-taking of personnel account privileges
Access Control	Control measures for channels of personnel accessing internal and external systems and transmitting data.	• Control measures for internal and external accesses • User behavior tracking record
External Threats	Internal potential vulnerability, management and preventive measures for infections	• Host/Computer vulnerability assessment and update measures • Antivirus and malware assessment
System Availability	System availability status and processing measures for disrupted services	• Monitor and alert measures for system/network availability status • Data backup measures, local/remote backup • Regular disaster recovery drill

4. Resources investments of Cyber Security Policy

(1) Manpower: Currently, the two members of the IT Division are responsible for related information security.

(2) Act: A consulting contract was signed with an ISO 27001 consultant to assist Hua Eng Wire & Cable and First Copper in the joint implementation and verification of an information security management system compliant with ISO27001. The contract period is from August 6, 2025 to April 30, 2028. In addition to obtaining certification, information security conference reviews and disaster recovery drills will also be carried out. Regarding hardware risks, the Company will obtain fire insurance for equipment and sign maintenance service contracts with professional vendors to ensure the stability and security of the overall information system.

(3) Budget: For information on equipment fire insurance and related equipment system maintenance, the total amount in 2025 was about NTD 1,970,000.

(II) Losses, possible impacts and countermeasures of major information security incidents:

There was no loss due to major information security incidents during the most recent fiscal year or during the current fiscal year up to the annual report publication date.

VII. Important contracts: For contracts that are still valid as of the publication date of the annual report or expired in the most recent year, list the parties to supply/sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other important contracts that are able to affect shareholders' equity, as well as the term of the contracts, the main content, and restrictive clauses.

Nature of contract	Parties	Contract term	Main contents	Restrictive clauses
International technology cooperation	SWCC Showa Holdings Co., Ltd.	2025.04 – 2028.03	Cooperation on ultra-high voltage cable technology	None
Domestic turnkey project	Taiwan Power Company	2024.05 – 2026.12	345KV cable turnkey project at Shanshang District, Tainan	None

Five. Review and Analysis of Financial Status and Financial Performance and Risk Issue

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I. Financial status:

Comparative Analysis of Financial Status in the Most Recent Two Years

Unit: NTD thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	8,873,080	7,405,001	1,468,079	19.83
Financial assets measured at fair value through profit or loss - non-current	2,864,442	1,761,149	1,103,293	62.65
Financial assets measured at fair value through other comprehensive income - non-current	78,581	92,422	(13,841)	(14.98)
Property, plant and equipment	3,326,632	3,178,018	148,614	4.68
Investment property - net	1,041,587	1,045,392	(3,805)	(0.36)
Other assets	349,580	373,969	(24,389)	(6.52)
Total assets	16,533,902	13,855,951	2,677,951	19.33
Current liabilities	4,854,450	3,896,534	957,916	24.58
Non-current liabilities	956,735	973,353	(16,618)	(1.71)
Total liabilities	5,811,185	4,869,887	941,298	19.33
Capital stock	6,327,735	6,327,735	—	—
Capital reserve	436,138	353,880	82,258	23.24
Retained earnings	3,804,378	2,101,828	1,702,550	81.00
Other equities	(20,713)	(6,872)	(13,841)	(201.41)
Treasury stock	(968,671)	(968,671)	—	—
Non-controlling equity	1,143,850	1,178,164	(34,314)	(2.91)
Total equity	10,722,717	8,986,064	1,736,653	19.33

The main reasons for significant changes in assets, liabilities and shareholders' equity in the most recent two years, the impacts thereof, and future response plans should be described (if the increase/decrease reaches 20% or more, and the amount of the increase/decrease amount reaches NTD 10 million).

(I) Main reason for changes:

1. Increase in financial assets at fair value through profit or loss – non-current:
Mainly due to the recognition of the fair value of financial assets in the current year.
2. Increase in current liabilities: Mainly due to the increase in bank borrowing in the current year.
3. Increase in capital surplus: Mainly due to the adjustment related to cash dividends distributed to subsidiaries during the year.

Five. Review and Analysis of Financial Status and Financial Performance and Risk Issue

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4. Increase in retained earnings: Mainly due to profit from operations in the current year.
 5. Decrease in other equities: Mainly caused by the financial assets at fair value through loss recognized in the current year.
- (II) Impacts: There are no significant impacts on the Company's finance and business.
- (III) Future response plans: None.

Five. Review and Analysis of Financial Status and Financial Performance and Risk Issue

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II. Financial performance:

- (I) Operating revenue, net operating profit and profit before tax in the most recent two years

Unit: NTD thousand

Item \ Year	2025	2024	Increase (decrease) amount	Change in percentage %
Net operating revenue	11,331,431	11,329,005	2,426	0.02
Operating cost	10,156,567	10,376,657	(220,090)	(2.12)
Operating gross profit	1,174,864	952,348	222,516	23.36
Operating expense	250,901	220,600	30,301	13.74
Operating profit (loss)	923,963	731,748	192,215	26.27
Non-operating revenue and expense	1,683,836	230,850	1,452,986	629.41
Profit before tax	2,607,799	962,598	1,645,201	170.91
Income tax expense (profit)	198,106	143,749	54,357	37.81
Net profit for the period	2,409,693	818,849	1,590,844	194.28
Other comprehensive (loss) income (after tax)	(10,977)	25,568	(36,545)	(142.93)
Total comprehensive (loss) income for the period	2,398,716	844,417	1,554,299	184.07

If operating revenue, operating profit, and pre-tax profit have increased/decreased by more than 20% in the most recent two years, the main reasons should be analyzed and explained, and the possible impact on the Company's future finance and business and response plans should be described:

1. Main reason for changes:

- (1) Increase in gross profit: This year, gross profit increased despite competition from international peers and the impact of fulfilling low-priced orders. A significant rise in copper prices also increased raw material procurement costs, eroding revenue and profits from copper foil products. However, the continued construction of Taiwan Power Company's public works projects led to increased sales of extra-high-voltage cables and cables for construction projects, resulting in a year-over-year rise in gross profit in the current year.
- (2) Increase in operating profits: primarily due to higher gross profits during the year. Please refer to (1) above for description.
- (3) Increase of non-operating revenue: Mainly due to the recognition of the valuation gain on the fair value of financial assets in the current year.

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- (4) Increase in net profits before tax: Mainly caused by the increase in the operating gross profit and increase in the non-operating income of the current year. Please refer to (1) and (3) above for description.
 - (5) Increase in income tax expense: Mainly due to increased profitability in the current year.
 - (6) Increase in net profits for the current period: Mainly caused by the increase in the operating gross profit and increase in the non-operating income of the current year. Please refer to (1) and (3) above for description.
 - (7) Decrease in other comprehensive income (net of tax): Mainly due to the fair value loss on financial assets measured at fair value through other comprehensive income recognized in the current year.
 - (8) Increase in total comprehensive income: Mainly due to Higher net income during the year. Please refer to (6) above for description.
2. There is no changes to the Company's main business activities.
3. Expected sales volume and its basis, possible impact on the Company's future finance and business, and response plans:
- (1) Expected sales volume:
5,700 tons of copper wires; 15,160 tons of electric cables; 75,035 KM-C of fiber optic cables; and 10,200 tons of copper sheets
 - (2) Basis:
 - ① In response to market demand, high-quality copper wire was developed to target specific customer segments. Demand for copper continues to grow in the electric vehicle and green energy storage industries.
 - ② In line with government initiatives such as the “Power Grid Resilience Enhancement Plan,” and the “Offshore Wind Power Development Plan,” solar photovoltaic equipment installation, turnkey transmission line construction projects, and the demand for power cables used in plant and building construction are increasing. Additionally, with the digitization of network systems, the rise of electronic payments, and the adoption of cloud storage, the construction of 5G fiber-optic transmission networks will lead to a gradual increase in demand for fiber-optic cables, as well as Category 5 and Category 6 Ethernet cables.
 - ③ The re-melted electroplated copper sheets are used in automotive connectors and terminals, and there is stable basic demand for them.
 - ④ There is robust demand for heat sinks and red copper foil for electrical terminals; demand from the AI and server markets has increased.
 - ⑤ Demand for high-end materials, especially high-strength and high-conductivity materials, is expected to increase in the future.

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(3) Possible impact on the Company's finance and business in the future, and responsive plans:

- ① Aligned with the long-term demand from oxygen-free copper wire customers and developed high-quality copper wires to stabilize orders.
- ② In response to various government power distribution improvement plans, wind power development projects, and demand for private sector cables, the Company has continued to upgrade electrical control equipment to enhance production efficiency and strengthen its competitiveness in the cable market.
- ③ Semiconductor and LED materials will continue to be prioritized for domestic customers – increase orders for tin-plated materials used in automotive connectors and terminals, and promote high-end alloy tin plating; expand the supply of copper-tin-nickel alloys for lithium battery pack materials; and continue to reliably supply high-conductivity, high-heat-dissipation materials for the AI and server industries, while developing new secondary processing punching products and increasing production capacity.
- ④ We will strengthen the integrated management of procurement, sales, and inventory, and prudently employ hedging mechanisms to mitigate risks from international copper price and exchange rate fluctuations, thereby reducing uncertainty in operational profitability and maintaining reasonable profits.

III. Cash flow:

Analysis of cash flow in the most recent year

Unit: NTD thousand

Beginning cash balance	Annual net cash outflow from operating activities	Net cash outflows from investing and financing activities for the year.	Cash surplus (deficiency) amount	Remedial measures for cash shortage	
				Investment plan	Financing plan
433,715	(164,579)	125,067	394,203	—	—

1. Analysis of changes in cash flow in the current year:

- (1) Operating activities: Cash outflows were mainly due to an increase in accounts receivable this year and a rise in production inventory due to higher international copper prices.
- (2) Investing activities: Cash inflows was mainly due to the disposal of financial assets in the current year.

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- (3) Mainly due to the payout of cash dividends and the resulting cash outflows during the year.
2. Remedial measures and liquidity analysis for cash shortage: Not applicable as there is no cash shortage.
3. Analysis of cash flow for the coming year:

Unit: NTD thousand

Beginning cash balance	Net cash inflow from operating activities for the year	Investing activities and financing activities for the year.	Cash surplus (shortage) amount	Remedies for cash shortage	
				Investment Plan	Investment Plan
394,203	1,915,797	(1,822,939)	487,061	—	—

- (1) Analysis of cash flow status for the coming year:
- ① Operating activities: Mainly due to expected operating profits and reduced inventory levels, resulting in cash inflows.
 - ② Investing activities: Mainly due to the anticipated purchase of property, plant and equipment and the resulting cash outflows.
 - ③ Financing activities: Mainly due to the expected distribution of cash dividends, resulting in cash outflows.
- (2) Remedies and liquidity analysis for expected cash shortage: Not applicable.

IV. Impacts of material capital expenditure on the finance and business in the most recent year:

(I) Use onditure and sources of funds

Unit: NTD Thousand

Planned item	Actual or expected source of funds	Actual or expected completion date	Total funds required	Actual or scheduled use of funds						
				2023	2024	2025	2026	2027	2028	2029
Machinery Equipment and plant	Private funds and loans	2026.12.31	56,971	13,950	271	36,791	5,959			
Machinery Equipment and plant	Private funds and loans	2026.12.31	152,679		11,132	45,952	95,595			
Machinery Equipment and plant	Private funds and loans	2026.12.31	551,350				96,580	4,270	450,500	

Note: Explanation shall be given if it is expected that there will be significant changes in the relative capital cost of borrowing and capital increase in the future or in the policy of borrowing and capital increase.

(II) Expected benefits

1. Upgrade equipment electrical control systems of production equipment to improve equipment utilization rates and output.

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2. To meet the demand for fire-resistant and heat-resistant cables, improve the production efficiency and increase finished product output, and enhance competitiveness in the thick plate market.
3. Reduce carbon emissions and continue to meet international energy-saving and carbon reduction requirements
4. Introduced a new thick plate slitting machine to meet market demand for high-conductivity and high-heat-dissipation thick plates driven by the global green energy, electric vehicles and AI server industry chains, enhancing the Company's competitiveness and expanding thick plate supply.
5. Installed a new roughing mill to improve production efficiency and increase finished product output, thereby enhancing competitiveness in the thick plate market.
6. Improved factory drainage systems and renovated factory roofs to mitigate losses from natural disasters in response to extreme weather conditions.
7. The factory and site have fully upgraded to LED lighting, saving power and reducing energy consumption, in response to the government's carbon reduction policy, and achieving net zero emissions by 2050 .
8. The construction of solar photovoltaic renewable energy project meets the regulatory requirements and green energy supply in response to global climate change , and continues to achieve international energy conservation and carbon reduction requirements.
9. Invest in new spider web optical cable production equipment to meet the transmission demands of Chunghwa Telecom and global AI data centers.

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V. Investment policies, main reasons for gains or losses from investments in the most recent year, improvement plans, and investment plans for the coming year:

1. Investment policy: We have selected promising industries as targets of investment, such as the communication industry, semiconductor industry and electric machinery industry

2. Main reason for profits or losses of investees

(1) First Copper Technology Co., Ltd: It is an exchange-listed company and a significant subsidiary of the Company. The company is engaged in the production, sale and processing of copper products and copper plates. The Company's revenue declined in 2025 due to international competition in the copper industry and the liquidation of low-priced orders.

Additionally, a significant rise in copper prices increased raw material procurement costs, leading to higher production costs and reduced product profitability, resulting in a net loss. However, the Company received cash dividends from its parent company, leading to a net profit for the period. Net profit for the period was NT\$121,501 thousand, and earnings per share were NT\$0.34 in 2025.

(2) China Ecotek Corporation: It is an exchange-listed company and a subsidiary of China Steel Corporation. The company is engaged mainly in the planning, design, installation, maintenance and environmental impact assessment of environmental protection engineering equipment, cogeneration engineering equipment, and engineering equipment for the steel industry. In addition, in line with the government's policies, it is also dedicated to the promotion of energy saving and carbon reduction measures and the circular economy to actively develop its green energy generation and reclaimed water businesses. Aligned with the government's initiatives, the company achieved revenue growth and stable profitability in 2025. However, due to an increase in operating expenses and a decrease in non-operating income, net profit for the current period was lower from 2024. Net income for 2025 was NTD 495,280 thousand, with earnings per share of NTD 4.00.

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- (3) Far EasTone Telecommunications: A publicly traded company. Asia Pacific Telecom Co. , Ltd. was merged with Far EasTone Telecommunications Corporation to become Far EasTone Telecommunications Corporation . It is a domestic comprehensive telecommunications service company. Its business includes fixed communication services: providing local, long- distance and international calling services ; personal mobile communication services: providing mobile voice and Internet services and various communication-related services ; and professional telecommunications integration services, etc. In 2025, the growth in operating income and profit was stable, and the net profit for the period increased as compared to 2024. Net pro 2025 was NT\$13,732,077 thousand, and the earnings per share were NT\$3.81.
- (4) Wafer Works Corporation: It is an OTC-listed company. It is mainly engaged in R&D, design and production of semiconductors and related materials; design, process, import and export, and after-sales service of semiconductor silicon wafer materials, wafer processing machinery and components. In 2025, even though we recorded a growth in operating income, the operating net loss increased due to a significant increase in operating costs. However, we recorded a net profit for the period due to the recognition of valuation gains by adopting the equity method. Net income for 2025 was NTD 51,897 thousand, with earnings per share of NTD 0.09.
- (5) Co-Tech Development Corp.: It is an OTC-listed company. The company is mainly engaged in copper smelting, metal surface treatment and electronic components production, as well as the manufacture and sale of single product, electronic-grade copper foil. In 2024, revenue grew and profit increased, resulting in higher net income from 2025. Net income for 2025 was NTD 1,062,536 thousand, with earnings per share of NTD 4.21.
3. Improvement plan and investment plan for the coming year: None.

VI. Risks:

(I) Impacts of changes in interest rate and exchange rate, and inflation on the Company's profit/loss and future countermeasures:

1. Global inflationary pressures eased gradually as central banks in major economies shifted toward looser monetary policies. The market generally anticipated that interest rates would remain relatively stable or adjust slowly, and the global economy was expected to maintain moderate growth. However, geopolitical risks, climate change, and adjustments to trade policies in major countries may still pose uncertainties to the international economic and trade environment. The Company's interest rate risk primarily arises from working capital and procurement financing. Maintaining a sound financial structure and good relationships with financial institutions helps the Company secure more favorable financing terms. The Company will continue to monitor changes in interest rates and exchange rates and adjust capital allocation in a timely manner to mitigate the impact of market volatility on the Company's operations.
2. The Company relies on imported raw materials, which are priced in U.S. dollars; therefore, its net foreign currency position consists primarily of liabilities denominated in USD. In response to fluctuations in the foreign exchange market, the Company is actively staying abreast of exchange rate trends, utilizing market information, making timely adjustments to the export bill schedule. The Company mitigates exchange rate risk through measures such as foreign currency accounts receivable financing and the purchase of forward foreign exchange contracts. Exchange gain in 2025 accounted for 0.08% of our operating income, and the impact was insignificant.

(II) Policies for engagement in high-risk, high-leverage investments, loan of funds to others, making guarantee/endorsement, and derivative trading, the main reason for the gain or loss, and future countermeasures:

1. The Company does not engage in high-risk, high-leverage investments.
2. The Company does not loan funds to others or make endorsements/guarantees for others.
3. The Company engages in derivative trading for the purposes of hedging risks and reducing costs, and conduct transactions in accordance with the Company's "Rules for the Acquisition and Disposal of Assets." It does not conduct transactions of derivatives for speculation purposes.

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

Name of plan	Current progress of plan	Expense	Time	Primary success factors
R&D of spider web ribbons	Chunghwa Telecom certification completed, with mass production equipment being planned	NTD 1 million	2025–2027	How to bundle or dispense glue for fiber optic mesh
Development of narrower grooved optical cables.	Assembly completed, awaiting extrusion coating	NTD 500,000	2025–2026	(1) How to obtain the thinned groove body (2) How to successfully embed the parallel belt into the groove body

(IV) Impacts of important domestic and foreign policies and legal changes on the Company's finance and business, and countermeasures:

1. Trading policy: Countries become members of free trade agreements, such as RCEP, CPTPP, FTA, one after another.
 - (1) Impacts: Market competition has become more and more fierce.
 - (2) Countermeasures:
 - ① We assess the advantages and disadvantage of our technology costs to adopt strategies for expanding advantages and avoiding threats.
 - ② We expand the business of our high-technical products in line with the southbound policy.
2. Energy policy: We follow the government's energy saving and carbon reduction regulations.
 - (1) Impacts: The government promotes power distribution plans with respect to solar power and wind power generation and thereby create a competitive advantage for the wire and cable market.
 - (2) Countermeasures:
 - ① We actively undertake engineering projects in line with the progress of Taipower's power transmission and distribution plans and the implementation of the 161KV and 345KV engineering projects of Taipower.
 - ② The impacts of the electricity price on the cost are controlled.
3. Transportation policy:
 - (1) Impacts: Convenient high speed railway and urban MRT systems have brought promising business opportunities to manufacturers.
 - (2) Countermeasures: The use of LSFH cables can facilitate the promotion of future businesses. We will pass the quality certification of TAF as soon as possible.

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4. We appropriate a certain percentage of employees' salaries to the labor pension account of the Bank of Taiwan every month in accordance with the Labor Pension Act that was put into practice on July 1, 2005.
- (V) Impacts of technological changes (including cyber security risk) and industrial changes on the Company's finance and business, and countermeasures:
 1. Technological change:
 - (1) Impacts: Changes in the electric vehicle technology enhance the strength of competitors in the industry. The competitors progressively dominate the channels and market through improvement of their equipment and technologies.
 - (2) Countermeasures: Our marketing strategies and product policies are oriented towards increasing the demand of the automobile industry for high-quality oxygen-free copper, raising the market share in other niche product markets, differentiating channels, and further establishing a point of sale information system.
 2. Impact of cyber security risk on the Company's financial and business performance and responsive measures:
 - (1) Impact: The Company's network communication is mainly applied in its internal operational control procedures and does not directly connect to its upstream or downstream supply chain. Specific management measures include that antivirus software has been installed in the corporate intranet terminal and all servers; uninterruptible power system is installed in the server room; high availability is set for major servers; daily backup and remote back, etc. The Company has signed the maintenance contracts with professional cyber security providers, terminal maintenance vendor and information integration vendor for prompt support on any cyber security issues. For the connection to and transmission with specific external financial institutes or authorities, the Company follows the regulated transmission protocol and executes in compliance with the procedures of authorization. In conclusion, cyber security risk has minor impact on the Company's financial and business performance.
 - (2) Countermeasures: Although all kinds of cyber security threats are unpredictable and vary continually, the Company keeps monitoring the risk with the existing protective system, implements cyber security management measures, and closely cooperates with supporting partners to fortify its information security protection technology.
 3. Industrial change:
 - (1) Impacts: Taipower's nuclear-free homeland, and thermal power, wind power, solar power generation construction plans have been outsourced by implementing the turnkey approach. The contractors

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must be able to conduct planning, design, civil engineering construction, the manufacturing of wire and cable materials, cabling, and connection.

- (2) Countermeasures: We arrange tie-ups with other industries and strategic alliances and improve our adaptability to jointly seek for projects and sales opportunities with team effort.
- (VI) Impacts of changes in the Company's image on its crisis management and countermeasures:
1. Impacts: In recent years, to improve the Company's profits, we continuously develop high value-added niche products, enhance the implementation of corporate governance, and create a good corporate image.
 2. Countermeasures: We strengthen the management ability regarding team communication/integration and decision monitoring. Internal control, risk management and spokesperson systems have been established to timely deal with crises in a hierarchical model and have adequate response strategies.
- (VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures: The Company does not have plans for mergers or acquisitions.
- (VIII) Expected benefits and possible risks of plant expansion and countermeasures: The Company does not have plans for plant expansion.
- (IX) Risks and countermeasures with regard to concentrated purchases or sales: We purchase from world-class famous suppliers that have a long-term collaboration with us. In addition, we implement decentralized procurement to easily purchase good without risks. Most of our customers are public sectors, and therefore, the sales risk is low.
- (X) Impacts and risks from any major transfer of shares held by directors, supervisors, or major shareholders holding more than 10% of the Company's shares, and response measures: There is no major transfer of shares held by the Company's directors, supervisors or major shareholders whose shareholding exceeds 10%.
- (XI) Impacts and risks from the change of the management right, and response measures: Since there is no major transfer of shares held by the Company's directors, supervisors or major shareholders whose shareholding exceeds 10%, the risk of the change of the management right is low.
- (XII) Litigation or non-litigation events involving the Company and its directors, supervisors, general manager, de facto responsible person, major shareholders whose shareholding ratio exceeds 10%, and affiliates:

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1. Major litigation, non-litigation or administrative disputes that have been resolved or are still in process: None.

2. Main parties involved, facts and handling status: None.

(XIII) Other important risks and countermeasures:

Explanation of information security risk assessment and analysis:

1. Prevention of computer viruses and malware

We install antivirus software in our computers to scan computer systems and data storage media and automatically update virus pattern files. Operating systems and software fix programs are regularly updated to effectively prevent computer virus and malware.

2. Safety of computer media, data and documents

Once reusable data storage media are no longer being used, all contents stored therein will be deleted. We back up data stored in computer media regularly and perform off-site backups to ensure the safety of important media and data relevant to the Company's operation and management. Moreover, we adopt protective measures when conducting electronic data interchange with external units to prevent data damage and unauthorized data access and alteration.

3. Network system safety

We implement rigorous identification operations and use firewall to record and control online behavior. The highest system permission is managed by reliable personnel after careful assessment by the responsible supervisor. Once personnel resign (or are suspended) from their posts, their access to the Company's network is canceled according to the information safety regulations and procedures. We prepare a backup host for the main host server in our network system to continue important system operations when the main operating host is unable to work normally. UPS systems are used for our network hardware equipment in case of abnormal power outages. After assessing the important items mentioned above, we believe that the information security risk is not significant.

VII. Other important matters: None.

- I. Information on affiliates: Please refer to the MOPS at the following path:
MOPS > Company > Electronic Document
Download > Related Companies' Three
Documents Section, or refer to the following
website:
https://mopsov.twse.com.tw/mops/web/t57sb01_q10
- II. Private placement of securities in the most recent year up to the publication date of the annual report: None.
- III. Other necessary supplementary explanations: None.
- Seven. Any Matter That Has A Significant Impact on Shareholders' Equity or the Price of Securities as Specified in Sub-paragraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act in the Most Recent Year up to the Publication Date of the Annual Report: None.

Hua Eng Wire & Cable Co., Ltd.

Chairman: Wang Hong-Ren