Stock Code: 2012
Annual Report (Mops):
http://mops.twse.com.tw
Company Annual Report
Website:
http://www.chunyu.com.tw

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# CHUN YU WORKS & CO., LTD.

# 2025 Annual Report

Published on March 31, 2026

I. Spokesperson and deputy spokesperson
Spokesperson：General manager Wu, Ju-Yan
Deputy Spokesperson: Financial and Accounting Manager
Su, Hsien-Ming
Tel：(07)621-4121
Email：ir@chunyu.com.tw

II. Headquarters, branches and plant
Headquarters, branches and plant：NO.100, TAPAO ST., KANGSHAN DIST., KAOHSIUNG CITY 820, TAIWAN
Tel：(07)621-4121

III. Stock Transfer Agency
Name：The Share Transfer Agency of Concord Securities Co.,Ltd.
Address：B1, No. 176, Section 1, Keelung Road, Xinyi District,
Taipei
Website：www.concords.com.tw/
Tel：(02)8787-1118

IV. CPAs certifying the latest financial statements
Name of CPA：Tien, Chung-Yu、Hsu, Huei-Yu
Name of CPA Firm：PricewaterhouseCoopers
Address：12F,395 Linsen Rd.,Sec.1 Tainan, Taiwan
Website：www.pwc.tw
Tel：(06)234-3111

V. Name of exchanges in foreign countries where the Company is listed for securities trade and the means of access to information on overseas securities：None

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

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# Chapter I：Letter to Shareholders

## I. Report on the Operations of 2025：

In 2025, the global steel industry was affected by the weak real estate market in China and excess production capacity. Low-priced exports exerted pressure on international markets, leading to steel prices fluctuating at relatively low levels. The downstream fastener manufacturing industry was impacted by high interest rates in Europe and the United States and the slow recovery of end-market demand, resulting in conservative order momentum. In addition, intense competition from low-priced Chinese finished products placed pressure on standard product prices and compressed profit margins. Overall, the industry remained in the final stage of destocking and a gradual demand recovery phase. However, as inflation eased and inventories were gradually replenished, signs of market stabilization have begun to emerge.

Looking ahead to 2026, it is expected that the global steel supply-demand structure will improve, driven by restocking demand in the manufacturing sector and China’s production reduction policies, supporting a gradual recovery of the industry. Chun Yu will continue to focus on niche and high value-added products, promote equipment upgrades and capacity optimization, strengthen cost control and raw material management, and actively implement energy-saving and carbon reduction initiatives as well as the development of low-carbon products, in order to enhance competitiveness and expand market share.

### (I)Performance in production and marketing：

In the Year 2025 our Company's consolidated operating revenue came to NT$8,307,669,000, a decrease by 9.36% from NT$9,165,105,000 in 2024. In terms of consolidated gross profit, in the Year 2025, it came to NT$1,143,732,000, a decrease by 13.41% as compared with NT$1,320,791,000 in 2024. In addition, the Company's consolidated net profit after tax came to NT$121,580,000 in 2025, a decrease by 69.68% when compared with NT$401,031,000 in 2024.

### (II)Implementation of budget：

Here at the Company, we did not work out a financial forecast for the Year 2025.

### (III)Analyses into the capability in financial revenues and expenditures：

Unit: NT$ thousands

| Items | | Year 2025 | Year 2024 | Annual increase/ decrease rate |
|---|---|---|---|---|
| Operating revenues | | 8,307,669 | 9,165,105 | (9.36) |
| Net profit before tax | | 249,929 | 528,522 | (52.71) |
| Net profit after tax | | 121,580 | 401,031 | (69.68) |
| The net profit is attributable to： | The Proprietor of the parent company | 55,298 | 287,146 | (80.74) |
| | Non-controlled equity | 66,282 | 113,885 | (41.80) |

### (IV)Analysis of profitability：

| Items | Year 2025 | Year 2024 |
|---|---|---|
| Asset return rate (%) | 1.64 | 3.96 |
| Return rate on shareholder’s equity (%) | 2.50 | 7.86 |
| Percentage of net profit before tax to the paid-in capital (%) | 8.27 | 17.49 |
| Net profit rate (%) | 1.46 | 4.38 |
| Earnings per share (EPS) (NT$) | 0.20 | 1.03 |

### (V)Performance in research & development：

In fiscal 2025, we spent $74,076 thousand on research and development, mainly to continue to refine technology, develop new products, and research and develop new processes and green materials to cut down the costs of product manufacturing. In addition, we also develop new products to meet the needs of operation in the future to the best of our effort with the use of steel billets from electric furnace for the development of low carbon products. This will help to upgrade our competitive power in market and reduce carbon emission. We will take action to perform our corporate social responsibility.

## II. Summary of the 2026 Operating Plan

### (I)Business Policies and Key Production and Sales Strategies

i.Respond proactively to changes in global market demand by flexibly adjusting the product mix and order-taking strategies, while actively expanding into the European, American, and emerging markets to diversify market risks and enhance export competitiveness.

ii.Continue to optimize production processes and improve equipment efficiency by promoting smart manufacturing and automation, thereby enhancing production efficiency, reducing manufacturing costs, and improving delivery performance and product quality consistency.

iii.Strengthen raw material procurement management and inventory control mechanisms to establish a stable supply chain, mitigate the impact of raw material price fluctuations on operations, and enhance overall supply chain resilience.

iv.Continue to strengthen long-term partnerships with domestic and international customers by enhancing customer service quality and delivery flexibility, thereby fostering stable and mutually beneficial business relationships.

### (II)Expected Sales Volume

The Company's sales targets for 2026 have been established based on historical sales performance and the anticipated market supply and demand conditions, as follows:

| Product | Expected Sales Volume (Metric Tons) |
|---|---:|
| Bolts | 37,000 |
| Nuts | 9,000 |
| Tapping Screws | 36,000 |
| Bright Steel Wire | 3,000 |
| Spheroidized Steel Wire | 40,000 |
| Total | 125,000 |

## III. Future Development Strategies

(I)Closely monitor changes in the global steel market supply and demand, international trade policies, foreign exchange fluctuations, and other external factors, and adjust business strategies in a timely manner to diversify market risks, enhance operational resilience, and strengthen the Company's long-term competitive advantages.

(II)Actively promote energy conservation and carbon reduction initiatives, improve energy efficiency, and develop low-carbon products. The Company will continue to invest in environmental protection, occupational safety, and corporate governance to advance sustainable development and address the global trend toward net-zero emissions as well as evolving customer requirements

## IV. Impact of External Competitive, Regulatory, and Overall Economic Environments

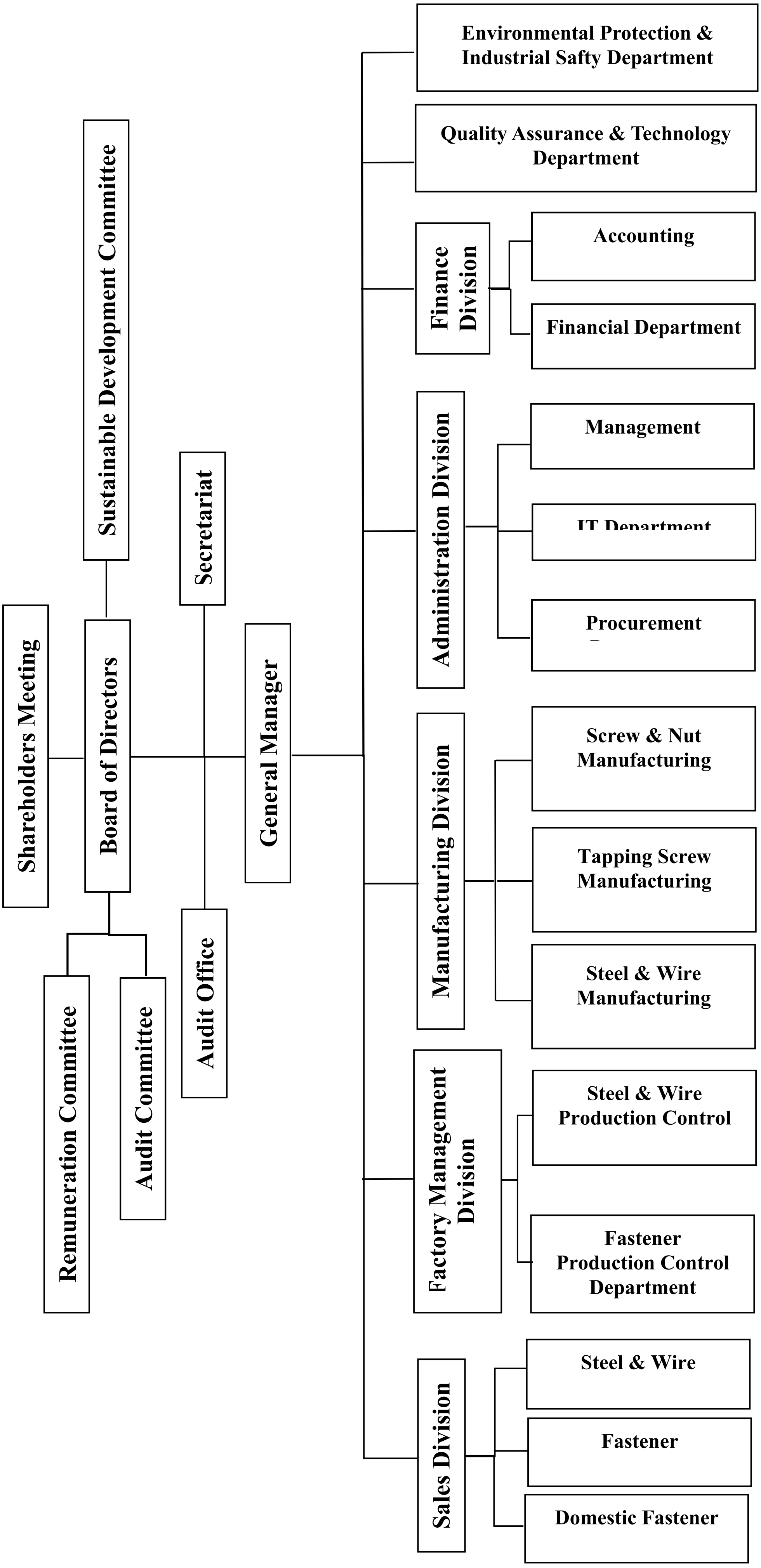
The Company's operations may be affected by various external factors, including the competitive landscape, regulatory policies, and overall economic conditions. These factors include changes in global steel market supply and demand, fluctuations in raw material prices, international trade policies, foreign exchange and interest rate movements, energy costs, increasingly stringent environmental regulations, and geopolitical risks, all of which may affect product demand, cost structure, and operating performance.

The Company will continue to closely monitor market developments and regulatory changes, adjust its business strategies in a timely manner, and strengthen its risk management practices to mitigate the impact of changes in the external environment on its operations.

Chairman：Wong, Chung-Chun General Manager：Wu, Ju-Yan Accounting Head：Su, Hsien-Ming

## Chapter II：Corporate Governance

### I. Organization



## II. Profiles of the directors, president, vice presidents, assistant vice presidents, departments, branches and subsidiaries heads

### (I) Information on Directors：

2026.03.30

| Title | Nationality or registration area | Name | Gender Age | Date of appointment | Term (years) | Date of first appointmen | Shareholding upon appointment | | Current Shareholding | | Spouse and minor Shareholding | | Shareholding by nominee arrangement | | Education and/or experiences | Positions held concurrently in the Company and other companies | Other managers, Directors who is this person's spouse or relative(s) within the second degree of kinshi | | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Number of shares | Ratio | Number of shares | Ratio | Number of shares | Ratio | Number of shares | Ratio | | | Title | Name | Relation | |
| Chairman | R.O.C | Taiwan Steel Group United Co., Ltd.. | - | 2025.05.26 | 3 | 2016.06.29 | 469,350 | 0.16% | 469,350 | 0.16% | - | - | - | - | - | - | - | - | - | |
| | | Representative：Wong, Chung-Chun | Male 61~70 | | | 2018.10.01 | - | - | - | - | - | - | - | - | Master of Accountancy, NTU | Note 1 | | | | |
| Director | R.O.C | Taiwan Steel Group United Co., Ltd. | - | 2025.05.26 | 3 | 2016.06.29 | 469,350 | 0.16% | 469,350 | 0.16% | - | - | - | - | - | - | - | - | - | |
| | | Representative：Chen, Chi-Tai | Male 81~90 | | | 2013.06.26 | - | - | - | - | - | - | - | - | National Tainan Commercial Vocational Senior High School Department of Commerce | Note 1 | | | | |
| Director | R.O.C | Taiwan Steel Group United Co., Ltd. | - | 2025.05.26 | 3 | 2016.06.29 | 469,350 | 0.16% | 469,350 | 0.16% | - | - | - | - | - | - | - | - | - | |
| | | Representative：Lee, Shih-Ho | Male 61~70 | | | 1986.08.09 | 3,352,397 | 1.11% | 2,890,397 | 0.96% | 1,458,624 | 0.48% | | | Department of Business Administration, FCU | Note 1 | | | | |
| Director | R.O.C | Sheng Shang Investment Co., Ltd. | - | 2025.05.26 | 3 | 2025.05.26 | 12,737,500 | 4.22% | 12,737,500 | 4.22% | - | - | - | - | - | - | - | - | - | |
| | | Representative：Huang, Li-Rong | Female 51~60 | 2026.02.24 | | | 3,789,750 | 1.25% | 3,896,750 | 1.29% | 3,805,000 | 1.26% | - | - | Tainan Senior Commercial Vocational School | Note 1 | | | | |
| Independent Director | R.O.C | Jian, Jin-Cheng | Male 61~70 | 2025.05.26 | 3 | 2022.06.22 | - | - | - | - | - | - | - | - | PhD., Accounting, Rutgers, The State University of New Jersey | -<br>Note 1 | - | - | - | |
| Independent Director | R.O.C | Fang, Jhen-Ming | Male 41~50 | 2025.05.26 | 3 | 2022.06.22 | - | - | - | - | - | -- | | - | Master of Business Administrati, NSYSU | -<br>Note 1 | - | - | - | |
| Independent Director | R.O.C | Lee, Chin-Chang | Male 71~80 | 2025.05.26 | 3 | 2019.06.05 | - | - | - | - | - | - | - | - | LLD., National Taiwan Normal University | -<br>Note 1 | - | - | - | |

Note 1：Position(s) held concurrently in the company and/or in any other company: Table 1

Note 2：Major Shareholders of Corporate Shareholders: Table 2

Note 3：Major shareholders listed in Table 2 is a Corporate/JuristicPerson：Table 3

Note 4：Where the Chairman, President or person holds an equivalent position (the highest level management) of the Company are the same person, spouses, or relatives within the first degree of relationship, an relevant explanation shall be given regarding the information on the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (including methods such as increasing the number of seats for Independent Directors and more than half of the Directors shall not hold a position as employees or managements).:Nil

【Table 1】Position(s) held concurrently in the company and/or in any other company：

| Name | Concurrent Posts | |
|---|---|---|
| Chairman<br>Wong, Chung-Chun | Chun Zu Machinery Industry Co., Ltd. Chairman<br>Shanghai Chun Zu Machinery Industry Co., Ltd. Chairman<br>Chun Yu Investment Co., Ltd. Company Chairman<br>Chun Bang Precision Co., Ltd. Chairman<br>Chun Yu Bio-Tech Co., Ltd. Chairman<br>Chun Yu (Dong Guan) Metal Products Co., Ltd. Chairman<br>Shanghai Uchee Hardware Products Co., Ltd. Chairman<br>Shanghai Tongseng Trading Co., Ltd. Chairman<br>Chun Yu Works, Inc. (USA) Chairman | Scholar Holdings Ltd. Chairman<br>Sunny City International Ltd. Chairman<br>BVI Lai Mong City Development Ltd. Chairman<br>Jia Jie Biomedical Co., Ltd. Chairman<br>Jia Jie Investment Co., Ltd. Chairman<br>Jia Jie Biotechnology Co., Ltd. Chairman<br>Jade Rich Grain CO.,Ltd. Director<br>PT MOON Lion Industries Indonesia Director<br>Taiwan Steel Insurance broker Co., Ltd. Supervisor |
| Director<br>Chen, Chi-Tai | Bai Jia Yuan Investment Co., Ltd. Chairman<br>Chun Zu Machinery Industry Co., Ltd. Director<br>Shanghai Chun Zu Machinery Industry Co., Ltd. Director<br>Chun Yu Works, Inc. (USA) Director<br>PT MOON Lion Industries Indonesia Director<br>OFCO Industrial Corporation Director<br>Taiwan Styrene Monomer Corporation Director<br>Quintain Steel Co., Ltd. Director | Chun Yu Investment Co., Ltd. Supervisor<br>Chun Bang Precision Co., Ltd. Supervisor<br>Chun Yu Bio-Tech Co., Ltd. Supervisor<br>Chun Yu (Dong Guan) Metal Products Co., Ltd. Supervisor<br>Shanghai Uchee Hardware Products Co., Ltd. Supervisor<br>Shanghai Tongseng Trading Co., Ltd. Supervisor<br>TSG Sport Marketing Co., Ltd. Supervisor<br>TSG Hawks Baseball Co., Ltd. Supervisor |

| Name | Concurrent Posts | |
|---|---|---|
| Director<br>Lee, Shih-Ho | Chun Zu Machinery Industry Co., Ltd. Director<br>Shanghai Chun Zu Machinery Industry Co., Ltd. Director | Hung Chun Bio-s Co., Ltd Director<br>Zenith Good Enterprise Co., Ltd. Supervisor |
| Director<br>Huang, Li-Rong | Sheng Shang Investment Co., Ltd Chairman | |
| Independent Director<br>Jian, Jin-Cheng | Taiwan Styrene Monomer Corporation Independent Director | Soft-World International Corporation Director |
| Independent Director<br>Fang, Jhen-Ming | Hong Sian No.3 Energy Co., Ltd. Chairman<br>Hong Gong No.6 Energy Co., Ltd. Chairman<br>Hong Luo No.5 Energy Co., Ltd. Chairman<br>Hong Gong No.5 Energy Co., Ltd. Chairman | Hong Jing No.5 Energy Co., Ltd. Chairman<br>Shang Yuan Consultant Ltd. Chairman<br>Maohong Power Co., Ltd. Director<br>Hong Ding Holding Co., Ltd. Supervisor |
| Independent Director<br>Lee, Chin-Chang | National Tsing Hua University Director | |

【Table 2】Major Shareholders of Corporate Shareholders：

March 31, 2026

| Name of corporate Shareholder | Major shareholders of the corporate shareholder |
|---|---|
| Taiwan Steel Group United Co., Ltd. | Chin Chi Fu Asset Management Co., Ltd. (100%) |
| Sheng Shang Investment Co., Ltd | Huang, Li-Rong (15.5%) |

【Table 3】Major shareholders listed in Table 2 is a Corporate/Juristic Person：

March 31, 2026

| Name of corporate/juristic person | Major shareholders of the corporate/juristic person |
|---|---|
| Chin Chi Fu Asset Management Co., Ltd. | Huang, Jyun-Yi(45%)、Wang, Chiung-Fen(36%)、E-Top Metal Co., Ltd.(19%) |

i. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors：

| Criteria / Name | Professional qualifications and experience | Independence Analysis | No. of other public companies where the person concurrently serves as an Independent Director |
|---|---|---|---|
| Chairman<br>Wong, Chung-Chun | (1)Graduated from the Institute of Accounting, National Taiwan University, former Executive Vice President of the Company and Independent Director of OFCO Industrial Corp. Currently serves as Chairman of Jiajie Biomedical Co., Ltd. and Chun Zu Machinery Industry Co., Ltd., and as the representative of Institutional Directors and Supervisors of several other companies.<br>(2)With more than 5 years of experience pertinent to the operation of the Company, with analysis and management capacity in corporate governance, finance and accounting, and business, and requires the management team to map out business strategy for implementation.<br>(3)Nothing in connection with Article 30 of the Company Act. | Not an Independent Director, not applicable. | Nil |

| Criteria / Name | Professional qualifications and experience | Independence Analysis | No. of other public companies where the person concurrently serves as an Independent Director |
|---|---|---|---|
| Director<br>Chen, Chi-Tai | (1)Graduated from the Department of Commerce, National Tainan Senior Commercial Vocational School, and currently serves as Honorary Chairman of Chuen Yu Factory Co., Ltd., Chairman of Bai Jia Yuan Investment Co., Ltd., and also as a corporate representative director and supervisor of Chun Zu Machinery Industrial Co., Ltd. and several other listed and OTC-listed companies.<br>(2)With more than 10 years of experience in industry knowledge, leadership in operation, and well-seasoned in corporate planning, financial analysis and the practice of marketing. Specialized in market strategy and business promotion.<br>(3)Nothing in connection with Article 30 of the Company Act. | Not an Independent Director, not applicable. | Nil |
| Director<br>Lee, Shih-Ho | (1)Graduated from Department of Business Administration, Feng Chia University, former Vice President of the Company, currently Supervisor of Zenith Good Enterprise Co., Ltd., Director of Chun Zu Machinery Ind. Co., Ltd.<br>(2)Concentration in screw manufacturing and related domains for many years and well-seasoned in industry knowledge and busin- ess promotion.<br>(3)Nothing in connection with Article 30 of the Company Act. | Not an Independent Director, not applicable. | Nil |
| Director<br>Huang, Li-Rong | (1)Graduated from Tainan Senior Commercial Vocational School and currently serves as Chairman of Sheng Shang Investment Co., Ltd.<br>(2)Possesses professional experience in business management, leadership, and decision-making required for corporate operations.<br>(3)Nothing in connection with Article 30 of the Company Act. | Not an Independent Director, not applicable. | Nil |

| Criteria / Name | Professional qualifications and experience | Independence Analysis | No. of other public companies where the person concurrently serves as an Independent Director |
|---|---|---|---|
| Independent Director Chien, Chin-Chen | (1)PhD., Accounting, Rutgers, the State University of New Jersey. Currently Director of Soft-World International Corporation, Independent Director of Taiwan Styrene Monomer Corp.<br>(2)Experienced in business, finance, corporate management, etc., that eligible for the Company requirements. Which could super- vise the operation of the Board and Functional Committee of the Company, and provide professional consultant.<br>(3)Nothing in connection with Article 30 of the Company Act. | (1)The person, spouse and kindred within the 2nd tier has not held the position as Director, Supervisor or employee of the Company or its affiliates.<br>(2)The person, spouse and kindred within the 2nd tier does not hold any shares issued by the Company.<br>(3)The chairperson, general manager, or person does not hold an equivalent position of the company and a person in any of those positions at another company or institution are not the same person or spouses.<br>(4)A director, supervisor, officer, or shareholder does not hold five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. ◦<br>(5)The person did not provide commercial, legal, financial and accounting service to the Company or its affiliates in the past 2 years that has received compensation exceeding NT$500,000. | 1 |

| Criteria / Name | Professional qualifications and experience | Independence Analysis | No. of other public companies where the person concurrently serves as an Independent Director |
|---|---|---|---|
| Independent Director Fang, Chen-Ming | (1)Master of Business Administrati, NSYSU, former Assistant Man- ager of Legal Dept.of Motech Industries, Inc., Vice President of KHL Capital, etc. Currently Independent Director of the Com- pany and Shang Yuan LLC., Independent Director and Chief Legal Officer of Maohong Power Co., Ltd.<br>(2)Experienced in business, legal affairs, corporate management, etc that eligible for the Company requirements. Which could supervise the operation of the Board and Functional Committee of the Company, and provide professional consultant.<br>(3)Nothing in connection with Article 30 of the Company Act. | (1)The person, spouse and kindred within the $2^{nd}$ tier has not held the position as Director, Supervisor or employee of the Company or its affiliates.<br>(2)The person, spouse and kindred within the $2^{nd}$ tier does not hold any shares issued by the Company.<br>(3)The chairperson, general manager, or person does not hold an equivalent position of the company and a person in any of those positions at another company or institution are not the same person or spouses.<br>(4)A director, supervisor, officer, or shareholder does not hold five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.<br>(5)The person did not provide commercial, legal, financial and accounting service to the Company or its affiliates in the past 2 years that has received compensation exceeding NT$500,000. | Nil |

| Criteria / Name | Professional qualifications and experience | Independence Analysis | No. of other public companies where the person concurrently serves as an Independent Director |
|---|---|---|---|
| Independent Director<br>Lee, Chin-Chang | (1)LLD, National Taiwan Normal University, former President of National Kinmen University, currently Independent Director and member of the Audit Committee and Remuneration Committee of the Company and Supervisor of National Tsing Hua University.<br>(2)Professional experience as university professor in law and the subjects required for the operation of the Company, specialized in in the advocacy of industry-academe collaborative research and education, and able give professional advice in the launch of business at the Company.<br>(3)Nothing in connection with Article 30 of the Company Act. | (1)The person, spouse and kindred within the 2nd tier has not held the position as Director, Supervisor or employee of the Company or its affiliates.<br>(2)The person, spouse and kindred within the 2nd tier does not hold any shares issued by the Company.<br>(3)The chairperson, general manager, or person does not hold an equivalent position of the company and a person in any of those positions at another company or institution are not the same person or spouses.<br>(4)A director, supervisor, officer, or shareholder does not hold five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.<br>(5)The person did not provide commercial, legal, financial and accounting service to the Company or its affiliates in the past 2 years that has received compensation exceeding NT$500,000. | Nil |

ii.Diversity of the board：

1. The Company has formulated “Rules for Election of Directors” and adopted candidates nomination system. According to “Rules for Election of Directors” the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. Refer to Article 20 of “Corporate Governance Best Practice Principle” of the Company, all members of the board shall have the knowledge, skills, and experience necessary to perform their duties. 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.
   (9) Risk management knowledge and ability.
2. To strengthen corporate governance and facilitate the development and constructions of the Board, diversive background of concept has been included in “Rules for Election of Directors” on the basis of “Sample template for Co., Ltd. Procedures for Election of Directors” issued by TWSE. Besides, “Corporate Governance Best Practice Principle” has been amended in 2018. According to Article 20 paragraph 3 of the Principle, diversity of background has been taken in account for appointing the members of the Board and the policy of diversity has been mapped out on the basis of the operation, mode of business and development need of the Company, which includes without limitation to the following standards：
   (1) Basic requirement and value：gender, age, nationality and level of education.
   (2) Professional designation: professional background (like law, accounting, industry, finance, marketing or technology), specialized skill and industry experience.
   (3) Based on the aforementioned principles, the Company’s current Board of Directors consists of seven

directors (including three independent directors). All members are distinguished individuals from industry and academia, possessing diverse expertise in business management, leadership and decision-making, as well as industry knowledge. The overall composition is in line with the objectives set forth in the Board diversity policy. In addition, the Company places importance on gender equality in the composition of the Board. However, considering industry characteristics and the existing terms of current directors, there is currently one female director (representing 14.3%). In the future, the Company will continue to incorporate gender diversity as an important consideration in director nomination during board re-elections or by-elections, and will actively evaluate the appointment of female directors with relevant professional backgrounds, in order to gradually enhance gender diversity and governance effectiveness of the Board.

3. Implementation Status of the Board Diversity Policy：

In addition to possessing expertise in business management, crisis management, and an international market perspective, the current board members include five directors with financial and accounting expertise, four with practical experience in industrial management, and two with legal expertise, thereby fully achieving the objectives of board diversity. The implementation status is summarized in the table below:

| Title | Name | Nationality | Gender | Also serves as an employee of the Company | Age |  |  |  |  | Term of independent directors |  |  | Operations management | Leadership decision | Industry knowledge | Finance and accounting | Legal |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|  |  |  |  |  | 41-50 | 51-60 | 61-70 | 71-80 | 81-90 | Less than 3 years | 4 - 6 years | 7 - 9 years |  |  |  |  |  |
| Chairman | Wong, Chung-Chun | R.O.C | M | ✓ |  |  | ✓ |  |  |  |  |  | ✓ | ✓ | ✓ | ✓ |  |
| Director | Chen, Chi-Tai | R.O.C | M | ✓ |  |  |  |  | ✓ |  |  |  | ✓ | ✓ | ✓ | ✓ |  |
| Director | Lee, Shih-Ho | R.O.C | M |  |  |  | ✓ |  |  |  |  |  | ✓ | ✓ | ✓ | ✓ |  |
| Director | Huang, Li-Rong | R.O.C | F |  |  | ✓ |  |  |  |  |  |  | ✓ |  |  |  |  |
| Independent Director | Chien, Chin-Chen | R.O.C | M |  |  |  | ✓ |  |  |  | ✓ |  | ✓ |  |  | ✓ |  |
| Independent Director | Fang, Chen-Ming | R.O.C | M |  | ✓ |  |  |  |  |  | ✓ |  | ✓ | ✓ |  | ✓ | ✓ |
| Independent Director | Lee, Chin-Chang | R.O.C | M |  |  |  |  | ✓ |  |  |  | ✓ | ✓ |  | ✓ |  | ✓ |

iii.Independence of the board：

(1)The board of the Company is independent, 7 seats include 3 independent directors (42.86%).

(2)The tenure of the independent directors shall not exceed acumulative term limit of three years. Two independent directors have a cumulative term of 4-6 years, and 1 independent director has a cumulative term of 7-9 years, and no independent director may concurrently serve as an independent director of more than three other public companies.

(3)All independent directors, as required, have submitted the declaration of Independence guiding by “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” when they was nominated as candidates of independent directors, which makes sure the independence within the person and related kinship.

(4)The directors have no spouse and second degree of kinship who service as directors.

(5)The directors exercise a high degree of self-discipline. In case involving interests of their or of the legal entities that they represent, they shall explain key contents of the involvement at the board meeting. They shall voluntarily abstain from discussion and voting as well as evade during discussion and voting, for themselves or proxy for another director, on a proposal submitted to the board that risks the involvement of the director's own interest to the detriment of the interest of the Company.

## (II) Managers' Information：

March 31, 2025

| Title (Note 1) | Nationality | Name | Gender | Date of appointment | Present Shareholding | | Spouse and minor Shareholding | | Shareholding by nominee arrangement | | Experience (Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares | Ratio | Shares | Ratio | Shares | Ratio | | | Title | Name | Relation | |
| CEO of domestic subsidiary business group | R.O.C | Chen, Chi-Tai | M | 2019.07.01 | - | - | - | - | - | - | Department of Commerce, National Tainan Commercial Vocational Senior High School | (Note 1) | Nil | Nil | Nil | |
| CEO of overseas subsidiary business group | R.O.C | Wong, Chung-Chun | M | 2019.07.01 | - | - | - | - | - | - | Master of Accountancy, NTU | (Note 1) | Nil | Nil | Nil | |
| General Manager | R.O.C | Wu,Ju-Yan | M | 2024.10.01 | - | - | - | - | - | - | Indiana University Bloomington MBA | (Note 1) | Nil | Nil | Nil | |
| Asst Vice President | R.O.C | Li, Yun-Ling | F | 2024.06.01 | 10,000 | 0.0033 | - | - | - | - | Master of Department of Logistics Management, NKUST | (Note 1)- | Nil | Nil | Nil | |
| Financial and Accounting Manager | R.O.C | Su, Hsien Ming | M | 2022.08.11 | - | - | - | - | - | - | Department of Accounting, THU | - | Nil | Nil | Nil | |

Note 1：Please refer to Table 1 for more details of the company's managers currently holding positions in other companies.

【Table 1】List of Management Team with positions at the Company and other companies：

| Name | Concurrent Posts | |
|---|---|---|
| CEO of domestic subsidiary business group Chen, Chi-Tai | Bai Jia Yuan Investment Co., Ltd. Chairman<br>Chun Zu Machinery Industry Co., Ltd. Director<br>Shanghai Chun Zu Machinery Industry Co., Ltd. Director<br>Chun Yu Works, Inc. (USA) Director<br>PT MOON Lion Industries Indonesia Director<br>OFCO Industrial Corporation Director<br>Taiwan Styrene Monomer Corporation Director<br>Quintain Steel Co., Ltd. Director | Chun Yu Investment Co., Ltd. Supervisor<br>Chun Bang Precision Co., Ltd. Supervisor<br>Chun Yu Bio-Tech Co., Ltd. Supervisor<br>Chun Yu (Dong Guan) Metal Products Co., Ltd. Supervisor<br>Shanghai Uchee Hardware Products Co., Ltd. Supervisor<br>Shanghai Tongseng Trading Co., Ltd. Supervisor<br>TSG Sport Marketing Co., Ltd. Supervisor<br>TSG Hawks Baseball Co., Ltd. Superviso |
| CEO of overseas subsidiary business group Wong, Chung-Chun | Chun Zu Machinery Industry Co., Ltd. Chairman<br>Shanghai Chun Zu Machinery Industry Co., Ltd. Chairman<br>Chun Yu Investment Co., Ltd. Company Chairman<br>Chun Bang Precision Co., Ltd. Chairman<br>Chun Yu Bio-Tech Co., Ltd. Chairman<br>Chun Yu (Dong Guan) Metal Products Co., Ltd. Chairman<br>Shanghai Uchee Hardware Products Co., Ltd. Chairman<br>Shanghai Tongseng Trading Co., Ltd. Chairman<br>Chun Yu Works, Inc. (USA) Chairman | Scholar Holdings Ltd. Chairman<br>Sunny City International Ltd. Chairman<br>BVI Lai Mong City Development Ltd. Chairman<br>Jia Jie Biomedical Co., Ltd. Chairman<br>Jia Jie Investment Co., Ltd. Chairman<br>Jia Jie Biotechnology Co., Ltd. Chairman<br>Jade Rich Grain CO.,Ltd. Director<br>PT MOON Lion Industries Indonesia Director<br>Taiwan Steel Insurance broker Co., Ltd. Supervisor |
| General Manager Wu, Ju-Yan | Chun Yu Work, Inc. (USA) Director | |
| Asst Vice President Li, Yun-Ling. | Chun Bang Precision Co., Ltd. General Manager | |

## (III) Succession Plan of Board of Directors and the Middle and High-Level Management

### i. Succession Plan of Board of Directors：

1. The structure of the board is supposed to be determined in light of business development of the company, the status of its major shareholders, and the necessity of practical operation. Each director has the various and complementary ability such as finance, accounting and, industrial knowledge, etc. The Company not only arranges 12 hours courses for newly directors, but also 6 hours courses per year for each director to assist them to equip various professional knowledge required to perform their duties.
2. The results of the annual board performance evaluation will be provided to the Sustainable Development Committee, and cultivate the persons who are managerial level to join into Board of Directors and make them familiar with the operation of Board of Directors.
3. At present, the group has a number of senior executive professionals, so the Company has abundant talents elected as directors in the future. In addition to considering diversification, directors serve as managers concurrently must not exceed one-third of the number of directors. The Company would also value gender equality and the necessary knowledge, skills and accomplishments of executive performance.

### ii. Succession Plan of the Middle and High-Level Management：

1. For the succession plan of important management levels, the talent development mechanism is organized by the personnel department in the Company. To assist the successors’ abilities of leadership and reduce handover duration, HR specialist would prudently select potential successors, collocate with personal development plans and employee training etc. In terms of training mechanism, we would arrange potential successors to affiliated companies for practice, which combined with training courses of the Company or external senior executives training, such as strategic planning, transnational operations, financial planning, sustainable development, etc. By doing so, we could cultivate professionals for management in the future.
2. For management trainee program, we strengthen trainees’ capability by job rotation or increase the scope of duties, and implement work assessment regularly. As a result, we would give priority to promote the trainees with higher performance review.

## III. Compensations of Directors, President and Vice Presidents

### (I)Remuneration paid to Directors and independent Directors(disclose aggregate remuneration information, with the names indicated for each remuneration range)：

Year 2025/ Unit：NTD thousands

| Title | Name | Director remuneration | | | | | | | | The sum of A, B, C and D as a percentage of after-tax net profit (%)(Note 4) | | Remuneration from other jobs | | | | | | | | The sum of A, B, C, D, E, F and G as a percentage of after-tax net profit (%)(Note 4) | | Remuneration from re-invested businesses other than subsidiaries |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Remuneration (A) (Note 1) | | Retirement pension (B) | | Director remuneration (C) (Note 2) | | Business execution expenses (D) (Note 3) | | | | Remuneration, bonus and special fees (E) (Note 5) | | Retirement pension (F) | | Employee remuneration (G) (Note 6) | | | | | | |
| | | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | | All companies in the consolidated financial statements | | The Company | All companies in the consolidated financial statements | |
| | | | | | | | | | | | | | | | | Cash | Stock | Cash | Stock | | | |
| Chairman | Taiwan Steel Group United Co., Ltd. Representative：Wong, Chung-Chun | 368 | 368 | - | - | 144 | 909 | 710 | 1,778 | 2.21 | 5.53 | 2,553 | 4,414 | - | - | 94 | - | 246 | - | 7.00 | 13.95 | Nil |
| Director | Taiwan Steel Group United Co., Ltd. Representative：Chen, Chi-Tai | 391 | 391 | - | - | 290 | 1,055 | 710 | 2,013 | 2.51 | 6.25 | 5,320 | 5,419 | - | - | 130 | - | 130 | - | 12.37 | 16.29 | |
| Director | Taiwan Steel Group United Co., Ltd. Representative：Lee, Shih-Ho | 173 | 173 | - | - | 144 | 144 | 710 | 1,280 | 1.86 | 2.89 | - | - | - | - | - | - | - | - | 1.86 | 2.89 | |
| Director | Sheng Shang Investment Co., Ltd. Representative：Huang, Li-Rong (Note8) | - | - | - | - | 67 | 67 | 300 | 300 | 0.66 | 0.66 | - | - | - | - | - | - | - | - | 0.66 | 0.66 | |
| Director | Sheng Shang Investment Co., Ltd. Representative：Chang, Tsan-Yu (Note10) | - | - | - | - | 33 | 33 | 100 | 100 | 0.24 | 0.24 | - | - | - | - | - | - | - | - | 0.24 | 0.24 | |

| Title | Name | Director remuneration | | | | | | | | The sum of A, B, C and D as a percentage of after-tax net profit (%)(Note 4) | | Remuneration from other jobs | | | | | | | | The sum of A, B, C, D, E, F and G as a percentage of after-tax net profit (%)(Note 4) | | Remuneration from re-invested businesses other than subsidiaries |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Remuneration (A) (Note1) | | Retirement pension (B) | | Director remuneration (C) (Note2) | | Business execution expenses (D) (Note 3) | | | | Remuneration, bonus and special fees (E) (Note 5) | | Retirement pension (F) | | Employee remuneration (G) (Note 6) | | | | | | |
| | | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | All companies in the consolidated financial statements | The Company | | All companies in the consolidated financial statements | | The Company | All companies in the consolidated financial statements | |
| | | | | | | | | | | | | | | | | Cash | Stock | Cash | Stock | | | |
| Director | Taiwan Steel Group United Co., Ltd. Representative：Lin, Huei-Jeng (Note9) | 202 | 202 | - | - | 44 | 809 | 310 | 1,561 | 1.00 | 4.65 | - | - | - | - | - | - | - | - | 1.00 | 4.65 | Nil |
| Director | Taiwan Steel Group United Co., Ltd. Representative：Wang, Chiung-Fen (Note9) | 28 | 28 | - | - | 44 | 44 | 310 | 330 | 0.69 | 0.73 | - | - | - | - | - | - | - | - | 0.69 | 0.73 | |
| Director | Taiwan Steel Group United Co., Ltd. Representative：Yan, Cing-Li (Note9) | - | - | - | - | 44 | 44 | 310 | 310 | 0.64 | 0.64 | - | - | - | - | - | - | - | - | 0.64 | 0.64 | |
| Director | Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Yi-Ching (Note9) | - | - | - | - | 44 | 44 | 310 | 310 | 0.64 | 0.64 | - | - | - | - | - | - | - | - | 0.64 | 0.64 | |
| Director | Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Mei-Huei (Note9) | - | - | - | - | 44 | 44 | 310 | 310 | 0.64 | 0.64 | - | - | - | - | - | - | - | - | 0.64 | 0.64 | |
| Independent Director | Chien, Chin-Chen | - | - | - | - | 144 | 144 | 980 | 980 | 2.03 | 2.03 | - | - | - | - | - | - | - | - | 2.03 | 2.03 | |
| Independent Director | Fang, Chen-Ming | - | - | - | - | 144 | 144 | 860 | 860 | 1.82 | 1.82 | - | - | - | - | - | - | - | - | 1.82 | 1.82 | |
| Independent Director | Lee, Chin-Chang | - | - | - | - | 144 | 144 | 760 | 760 | 1.64 | 1.64 | - | - | - | - | - | - | - | - | 1.64 | 1.64 | |

Note 1：It refers to the directors’ compensation received for the recent year (including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.). In addition, specify the policy, system, standard, and structure of remunerations to the Directors and Independent Directors of Chun Yu Works, and association between the amount of remuneration and the duties, risks, and time input of the Directors：

(1) According to the Articles of Incorporation of the Company, the remunerations to the Directors will commensurate with the level of participation of the Directors in the operation and their contribution value with reference to industry standard.

(2) It is explicitly stated in the Articles of Incorporation that the remuneration to the Directors shall be no more than 2% of the earnings of the year.

Note 2：The remuneration to the Directors for rendering services to all companies included in the financial statements in the previous fiscal period (such as consultants of parent company, all companies in the consolidated financial statements, etc.)：Nil

Note 3：It refers to the relevant expenses for business operations paid to directors for the recent year (including transportation allowance, special allowance, various allowances and the provision of dormitory and vehicle, etc.).

Note 4：It refers to the net income in the parent company only financial reports or individual financial reports of the recent year.

Note 5：It refers to the salaries, special responsibility allowance, severance pay, various bonuses, incentives, transportation allowance, special allowance, and the provision of dormitory and vehicle received by the directors who concurrently serve as employees (including President, Senior Vice President, and other managerial officers and employees) in the recent year.

Note 6：It refers to the employee compensation (including stock and cash) received by the directors who concurrently serve as employees (including concurrent President, Senior Vice President, and other managerial officers andemployees) in the recent year.

Note 7：The Company opts to disclose aggregate remuneration information, with the names indicated for each remuneration range, because it is not any of the Article 10 of “Regulations Governing Information to be Published in Annual Reports of Public Companies” applies to the Company.

Note 8：Newly appointed following the comprehensive re-election on May 26, 2025.

Note 9：Resigned following the comprehensive re-election on May 26, 2025.

Note 10：Representative was reassigned on October 21, 2025.

## Range of Remuneration

| Range of Remuneration | Director name | | | |
|---|---|---|---|---|
| | Total amount of the first four remunerations (A+B+C+D) | | Total amount of the first seven remunerations (A+B+C+D+E+F+G) | |
| | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements |
| Lower than 1,000,000 | Taiwan Steel Group United Co., Ltd Representative：Lin, Huei-Jeng 、Taiwan Steel Group United Co., Ltd. Representative：Wang, Chiung-Fen 、Taiwan Steel Group United Co., Ltd. Representative：Yan, Cing-Li、Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Yi-Ching 、Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Mei-Huei、Sheng Shang Investment Co., Ltd. Representative：Huang, Li-Rong、Sheng Shang Investment Co., Ltd. Representative：Chang, Tsan-Yu、Lee, Chin-Chang | Taiwan Steel Group United Co., Ltd. Representative：Wang, Chiung-Fen 、Taiwan Steel Group United Co., Ltd. Representative：Yan, Cing-Li、Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Yi-Ching 、Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Mei-Huei、Sheng Shang Investment Co., Ltd. Representative：Huang, Li-Rong、Sheng Shang Investment Co., Ltd. Representative：Chang, Tsan-Yu、Lee, Chin-Chang | Taiwan Steel Group United Co., Ltd Representative：Lin, Huei-Jeng 、Taiwan Steel Group United Co., Ltd. Representative：Wang, Chiung-Fen 、Taiwan Steel Group United Co., Ltd. Representative：Yan, Cing-Li、Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Yi-Ching 、Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Mei-Huei、Sheng Shang Investment Co., Ltd. Representative：Huang, Li-Rong、Sheng Shang Investment Co., Ltd. Representative：Chang, Tsan-Yu、Lee, Chin-Chang | Taiwan Steel Group United Co., Ltd. Representative：Wang, Chiung-Fen 、Taiwan Steel Group United Co., Ltd. Representative：Yan, Cing-Li、Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Yi-Ching 、Bai Jia Yuan Investment Co., Ltd. Representative：Wu, Mei-Huei、Sheng Shang Investment Co., Ltd. Representative：Huang, Li-Rong、Sheng Shang Investment Co., Ltd. Representative：Chang, Tsan-Yu、Lee, Chin-Chang |
| 1,000,000 (inclusive) ~ 2,000,000 (exclusive) | Taiwan Steel Group United Co., Ltd. Representative：Wong, Chung-Chun、Taiwan Steel Group United Co., Ltd. Representative：Chen, Chi-Tai、Taiwan Steel Group United Co., Ltd. Representative：Lee, Shih-Ho、Chien, Chin-Chen、Fang, Chen-Ming | Taiwan Steel Group United Co., Ltd. Representative：Lee, Shih-Ho、Chien, Chin-Chen、Fang, Chen-Ming | Taiwan Steel Group United Co., Ltd. Representative：Lee, Shih-Ho、Chien, Chin-Chen、Fang, Chen-Ming | Taiwan Steel Group United Co., Ltd. Representative：Lee, Shih-Ho、Chien, Chin-Chen、Fang, Chen-Ming |
| 2,000,000 (inclusive) ~ 3,500,000 (exclusive) | | Taiwan Steel Group United Co., Ltd. Representative：Wong, Chung-Chun、Taiwan Steel Group United Co., Ltd. Representative：Chen, Chi-Tai、Taiwan Steel Group United Co., Ltd Representative：Lin, Huei-Jeng | | Taiwan Steel Group United Co., Ltd Representative：Lin, Huei-Jeng |
| 3,500,000 (inclusive) ~ 5,000,000 (exclusive) | | | Taiwan Steel Group United Co., Ltd. Representative：Wong, Chung-Chun | |

| | | | | |
|---|---|---|---|---|
| 5,000,000 (inclusive) ~ 10,000,000 (exclusive) | | | Taiwan Steel Group United Co., Ltd. Representative：Chen, Chi-Tai | Taiwan Steel Group United Co., Ltd. Representative：Wong, Chung-Chun、<br>Taiwan Steel Group United Co., Ltd. Representative：Chen, Chi-Tai |
| 10,000,000 (inclusive) ~ 15,000,000 (exclusive) | | | | |
| 15,000,000 (inclusive) ~ 30,000,000 (exclusive) | | | | |
| 30,000,000 (inclusive) ~ 50,000,000 (exclusive) | | | | |
| 50,000,000 (inclusive) ~100,000,000 (exclusive) | | | | |
| 100,000,000 or more | | | | |
| Total | 13 | 13 | 13 | 13 |

Note 1：The contents of the remuneration disclosed in this table are different from those in the Income Tax Law. Therefore, this statement is for the purpose of disclosure but not for taxation.

## (II)Remunerations of the management team：

Year 2025 / Unit：NTD thousands；%

| Title | Name | Salary (A) | | Retirement pension (B) | | Bonus and special fees (C) | | Employee remuneration (D) | | | | The sum of A, B, C and D as a percentage of after-tax net profit (%) | | Remuneration from re-invested businesses other than subsidiaries or parent company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | | Companies in the consolidated financial statements | | The Company | Companies in the consolidated financial statements | |
| | | | | | | | | Cash | Stock | Cash | Stock | | | |
| CEO of domestic subsidiary business group | Chen, Chi-Tai | 11,428 | 12,824 | - | - | 1,905 | 2,469 | 427 | - | 579 | - | 24.88 | 28.70 | Nil |
| CEO of overseas subsidiary business group | Wong, Chung-Chun | | | | | | | | | | | | | |
| General Manager | Wu, Ju-Yan | | | | | | | | | | | | | |
| Asst Vice President | Li, Yun-Ling | | | | | | | | | | | | | |

## Range of Remuneration

| Range of Remuneration | Name of President and Vice Presidents | |
|---|---|---|
| | The company | Compensation Paid to Directors from Parent Company and Invested Companies |
| Lower than 1,000,000 | | |
| 1,000,000 (inclusive) ~ 2,000,000 (exclusive) | | |
| 2,000,000 (inclusive) ~ 3,500,000 (exclusive) | Wong, Chung-Chun、 Wu, Ju-Yan、Li, Yun-Ling | Wu, Ju-Yan、Li, Yun-Ling |
| 3,500,000 (inclusive) ~ 5,000,000 (exclusive) | | Wong, Chung-Chun |
| 5,000,000 (inclusive) ~ 10,000,000 (exclusive) | Chen, Chi-Tai | Chen, Chi-Tai |
| 10,000,000 (inclusive) ~ 15,000,000 (exclusive) | | |
| 15,000,000 (inclusive) ~ 30,000,000 (exclusive) | | |
| 30,000,000 (inclusive) ~ 50,000,000 (exclusive) | | |
| 50,000,000 (inclusive) ~100,000,000 (exclusive) | | |
| 100,000,000 or more | | |
| Total | 4 | 4 |

Note 1：The contents of the remuneration disclosed in this table are different from those in the Income Tax Law. Therefore, this statement is for the purpose of disclosure but not for taxation.

## (III)Employee Compensation of Managers(disclose aggregate remuneration information)：

Year 2025/ Unit：NTD thousands

| | Title | Name | Employee Compensation -in Stock | Employee Compensation -in Cash | Total | Ratio of Total Amount to Net Income (%) |
|---|---|---|---|---|---|---|
| Managers | CEO of domestic subsidiary business group | Chen, Chi-Tai | - | 465 | 465 | 0.84 |
| | CEO of overseas subsidiary business group | Wong, Chung-Chun | | | | |
| | General Manager | Wu, Ju-Yan | | | | |
| | Vice President | Li, Yun-Ling | | | | |
| | Financial and Accounting Officer | Su, Hsien-Ming | | | | |

Note 1：It refers to the employee remuneration (including stock and cash) received by the managerial officers that is distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of Board of Directors. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the parent company only financial reports or individual financial reports of the recent year.

Note 2：The scope of application for managers is defined in accordance with the Tai-Tsai-Cheng-San No. 0920001301 Letter dated 2003.3.27 by the Securities and Future Commission as follows：

(1) President and the equals.
(2) Vice President and the equals.
(3) Assistant managers and the equals.
(4) Head of Department of Finance.
(5) Head of Accounting Department.
(6) Other people handling corporate affairs and signature rights.

## (IV) Comparison of Remuneration for Directors, President and Vice Presidents in the Two Most Recent Fiscal Years and Remuneration Policy for Directors, President and Vice Presidents

i. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, president and vice presidents of the Company, to the net income：

Unit：NTD thousands

| Year | Total amount of remuneration to the Directors, General Manager, and Deputy General Manager | | The total amount in proportion to the net income (%) | |
|---|---|---|---|---|
| | The Company | Companies in the consolidated financial report | The Company | Companies in the consolidated financial report |
| 2024 | 30,242 | 40,002 | 10.53% | 9.97% |
| 2025 | 22,932 | 31,551 | 41.47% | 25.95% |

ii. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance

1. The policy and standard of remuneration of the Company：

(1) Directors：The remuneration of the Company's directors is determined in accordance with the Articles of Incorporation, taking into account the Company's overall operating performance, individual contributions, and prevailing industry compensation standards. It is subject to review and approval by the Remuneration Committee and then submitted to the Board of Directors for resolution.

In addition, directors receive a fixed monthly transportation allowance and are paid attendance fees based on their actual participation in Board meetings and functional committee meetings. The aforementioned fixed remuneration is not linked to the Company's operating performance.

(2) General Manager and Deputy General Manager：

The remuneration paid to the General Manager and Deputy General Managers of the Company is determined based on a comprehensive evaluation of their job responsibilities, scope of authority, individual contributions, and professional expertise, with reference to prevailing industry compensation standards. It is subject to review and approval by the Remuneration Committee and then submitted to the Board of Directors for resolution, so as to grant reasonable compensation.

2. The procedure for setting the remuneration：

   Pursuant to Article 39 of the Company's Articles of Incorporation, if the Company generates a profit in a given year, it shall allocate no less than 2% of the annual profit as employee compensation (of which 0.4% of the profit shall be allocated to grassroots employees), and may allocate no more than 2% as directors' remuneration. However, if the Company has accumulated losses, an amount shall first be reserved to cover such losses.

3. The association between the operation performance and risk in the future：

   The compensation of the Company's directors and managerial officers is determined with reference to prevailing industry standards, while also taking into account the Company's operating conditions and future business risks. The principles governing such compensation are highly correlated with the managerial responsibilities assumed, individual contributions, and performance. The Remuneration Committee conducts regular evaluations and reviews of such compensation.

## IV. Implementation of Corporate Governance

### (I) Operation of the Board of Directors

Seven board meetings were held in 2025, the attendance of Directors is as follows：

| Title | Name | Actual No. of meetings attended (B) | No. of meetings with entrusted attendance | Actual attendance rate (%)【B/A】 | Remarks |
|---|---|---|---|---|---|
| Chairman | Representative Of Taiwan Steel Group United Co., Ltd：<br>Wong, Chung-Chun | 7 | 0 | 100% | Re-elected as Director following the full board re-election on May 26, 2025. |
| Director | Representative Of Taiwan Steel Group United Co., Ltd：<br>Chen, Chi-Tai | 7 | 0 | 100% | Re-elected as Director following the full board re-election on May 26, 2025. |
| Director | Representative Of Taiwan Steel Group United Co., Ltd：<br>Lee, Shih-Ho | 7 | 0 | 100% | Re-elected as Director following the full board re-election on May 26, 2025. |
| Director | Representative Of Sheng Shang Investment Co., Ltd.：<br>Huang, Li-Rong | 2 | 0 | 100% | Appointed as Director following the full board re-election on May 26, 2025. On February 24, 2026, the institutional shareholder reassigned its representative. |
| Director | Representative Of Sheng Shang Investment Co., Ltd：<br>Chang, Tsan-Yu | 1 | 0 | 100% | On October 21, 2025, the institutional shareholder reassigned its representative. |
| Director | Representative Of Taiwan Steel Group United Co., Ltd.：<br>Lin, Huei-Jeng | 4 | 0 | 100% | Stepped down as Director following the full board re-election on May 26, 2025. |
| Director | Representative Of Taiwan Steel Group United Co., Ltd.：<br>Wang, Chiung Fen | 4 | 0 | 100% | Stepped down as Director following the full board re-election on May 26, 2025. |
| Director | Representative Of Taiwan Steel Group United Co., Ltd.：<br>Yan, Cing-Li | 4 | 0 | 100% | Stepped down as Director following the full board re-election on May 26, 2025. |
| Director | Representative Of Bai Jia Yuan Investment Co., Ltd.：<br>Wu, Yi-Ching | 4 | 0 | 100% | Stepped down as Director following the full board re-election on May 26, 2025. |
| Director | Representative Of Bai Jia Yuan Investment Co., Ltd.：<br>Wu, Mei-Huei | 4 | 0 | 100% | Stepped down as Director following the full board re-election on May 26, 2025. |
| Independent Director | Chien, Chin-Chen | 7 | 0 | 100% | Re-elected as Independent Director following the full board re-election on May 26, 2025. |
| Independent Director | Fang, Chen-Ming | 7 | 0 | 100% | Re-elected as Independent Director following the full board re-election on May 26, 2025. |
| Independent Director | Lee, Chin-Chang | 7 | 0 | 100% | Re-elected as Independent Director following the full board re-election on May 26, 2025. |
| Note：The actual attendance rate (%) is calculated based on the number of board meetings held during a director's term of office and the number of meetings actually attended by the director. | | | | | |

Other matters to be recorded：

I. If any of the following circumstances occurs in the operation of the board meeting, please indicate the date of the board meeting, the session number, the contents of the motion, the opinions of all independ- ent directors and the Company' s handling of the opinions of the Independent Directors：

(I)Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company is not applied to Article 14-3 of the Securities and Exchange Act, because it had set up audit committee. The state-ments about Article 14-5 of the Securities and Exchange Act refer to "3.4.2 Audit Committee Meet-ing Status".

(II)Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the Board of Directors：None.

II. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents ofmotion, causes for avoidance and voting should be specified

| Board of Directors | Resolution Content | Name of Director | Reasons for the avoidance of interests | Voting Results |
|---|---|---|---|---|
| 2025.01.02 | The acquisition of right-of-use assets from a related party. | Chen, Chi-Tai<br>Wu, Mei-Huei | As this case involves the proposed lease of land, factory buildings, and production equipment from a related party. | The directors were recused from the discussion and voting |
| 2025.01.02 | Year-end bonus payment case in 2024. | Chen, Chi-Tai<br>Wong, Chung-Chung | The above-mentioned Directors were the case in discussion. | The directors were recused from the discussion and voting |
| 2025.05.08 | The proposal on reward for employees in 2024. | Chen, Chi-Tai<br>Wong, Chung-Chung | The above-mentioned Directors were the case in discussion. | The directors were recused from the discussion and voting |
| 2025.08.07 | The appointment of members of the Company's seventh Remuneration Committee. | Chien, Chin-Chen<br>Fang, Chen-Ming<br>Lee, Chin-Chang | The above-mentioned Directors were the case in discussion. | The directors were recused from the discussion and voting |
| 2025.08.07 | The appointment of members of the Company's second Sustainability Development Committee. | Chien, Chin-Chen<br>Fang, Chen-Ming<br>Lee, Chin-Chang | The above-mentioned Directors were the case in discussion. | The directors were recused from the discussion and voting |

III. TWSE-listed or TPEx-listed companies shall disclose information on the frequency and duration of Self (peer)- Evaluation, the scope, means and content of evaluation, and fill in the Form (below) on the pursuit of Self-Evaluation：

(i)External Evaluation

| Evaluation cycle | Evaluation period | Evaluation scope | Evaluation method | Evaluation content |
|---|---|---|---|---|
| Once every three years | 2023.07.01 to 2024.06.30 | Board of Directors And Directors | Conducted the evaluation through questionnaires and online interviews. | i. Board Composition and Professional Development<br>ii. Quality of Board Decision-Making<br>iii. Board Operational Effectiveness<br>iv. Internal Control and Risk Management<br>v. Board Engagement in Corporate Affairs |

In 2024 , the Company engaged the Taiwan Investor Relations Institute to conduct an external evaluation of the Board of Directors' performance. The Institute and the professionals performing the evaluation have no business relationship with the Company and are independent.

The Taiwan Investor Relations Institute issued the Board Performance Evaluation Report on September 23, 2024, which was subsequently presented to the Board of Directors on November 7, 2024. The evaluation results and future improvement plans are summarized as follows：

| Item | Evaluation Results | Future Improvement Directions |
|---|---|---|
| 1 | The seats held by a single institutional shareholder and its subsidiaries account for less than one-third of the total seats on the Board of Directors. | The Company will incorporate this into its planning prior to the next re-election. |
| 2 | Plan in advance to increase the proportion of female directors to one-third of the board seats. | The Company will incorporate this into its planning prior to the next re-election. |
| 3 | The number of independent directors shall account for at least one-third of the total board seats. | After the comprehensive re-election of directors held on May 26, 2025, independent directors comprise one-third of the total number of board seats. |
| 4 | Independent directors shall comprise no less than one-third of the total number of board seats. | The Company's Board of Directors approved the Risk Management Policy and Procedures on November 7, 2024. |
| 5 | Provide regular reports to the Board of Directors on the implementation of integrity management. | The Company will regularly report the implementation of integrity management to the Board of Directors. |
| 6 | Establish and implement an internal control system for the management of sustainability information. | The Company's Board of Directors approved the Sustainable Information Management Control Procedures on November 7, 2024. |
| 7 | Information regarding the Sustainability Development Committee has been duly filed and disclosed on the MOPS. | The Company has disclosed the members and operations of the Sustainable Development Committee on the MOPS. |
| 8 | Strengthen the corporate governance disclosures on the Company's website to faithfully present the Company's corporate governance performance and achievements. | The Company will continue to update and supplement corporate governance-related content on its website. |

### (ii)Internal Evaluation

| Evaluation cycle | Evaluation period | Evaluation scope | Evaluation method | Evaluation content |
|---|---|---|---|---|
| Once annually | 2025.01.01 to 2025.12.31 | Board of Directors | Director self-assessment | i. Participation level in the Company's operations.<br>ii. Improvement of the quality of the board of directors' decision making.<br>iii. Composition and structure of the Board of Directors.<br>iv. Election of the directors and their continuing professional education.<br>v. Internal control. |
| Once annually | 2025.01.01 to 2025.12.31 | Directors | Director self-assessment | i. Alignment of the goals and missions of the Company.<br>ii. Awareness of the duties of a director<br>iii. Participation in the operation of the Company.<br>iv. Management of internal relationship and communication.<br>v. The director's professionalism and continuing education.<br>vi. Internal control. |
| Once annually | 2025.01.01 to 2025.12.31 | Functional Committee：<br>Audit Committee, Remuneration Committee, Sustainable Development Committee | Director self-assessment | i. Participation in the operation of the Company.<br>ii. Awareness of the duties of the functional committee.<br>iii. Improvement of quality of decisions made by the functional committee.<br>iv. Makeup of the functional committee and election of its members.<br>v. Internal control. |

The Company completed, in February 2026, the performance evaluation of the Board of Directors, individual directors, the Audit Committee, the Remuneration Committee, and the Sustainability Development Committee for 2025 (covering the period from January 1 to December 31, 2025). All evaluation results were rated “Excellent,” and were reported to and reviewed by the Board at the meeting convened on March 5, 2026.

IV. The goals for strengthening the board's functions in the current and the previous year and assessment of the implementation：

(I) The operations of the Board of Directors of the Company are exercised in accordance with the provisions of the laws and regulations, the Articles of Association, and the resolutions of the Shareholders’ Meetings. All Directors, in addition to the professional knowledge and skills necessary to perform their duties, should strive for the best shareholder interests based on the principles of loyalty and integrity for which the pursuit of corporate social responsibility and sustainable development.

(II) The Company has elected 3 Independent Directors. In order to establish a good board governance system, sound supervision function and strengthen management functions, the Board of Directors agreed to establish Remuneration Committees. In order to implement corporate governance, Remuneration Committee held the meeting to report the standard of year-end bonus of manager, and evaluate the Chairman, Directors, and manager salary, and remuneration policy and rules. Respectively, and submit the suggestions to Board of Director for discussing.

(III) In accordance with the provisions of the security’s regulatory authority, the Board of Directors approved to set up an Audit Committee in order to replace the Supervisors. Audit Committeewill hold the regular meeting annually, respectively, and resolutions were submitted to the Board of Directors to implement corporate governance.

(IV) The Sustainable Development Committee is established for vitalizing the mechanism of corporate governance and the advocacy of corporate social responsibility and materialization of the idea of corporate sustainability in full effort. The committee convenes regularly in the year and report to the Board.

(V) In addition to conducting the annual assessment of the board to strengthen its functions, the internal auditors also monitor the performance of the board, and make an audit report which will present to the Board at regular intervals for review.

(VI) The Company persists with the principle of operation transparency, and thereby vital information will be released to the MOPS website after each session of the Board for the protection of the rights and privileges of the shareholders.

## (II) Operation of the Audit Committee：

The Company’s Audit Committee is composed entirely of independent directors in accordance with Article 14-4 of the Securities and Exchange Act and operates in accordance with the “Rules of Procedure for the Audit Committee.” The committee members elect one independent director as the convener. The current committee comprises three members, serving a term from May 26, 2025, to May 25, 2028, thereby strengthening the Board’s supervisory function and corporate governance effectiveness.

i. Duty and annual highlight of Audit Committee in 2025：

1. Information on Audit Committee Members

| Identity category | Name | Professional qualifications and relevant experience |
|---|---|---|
| Independent Director | Chien, Chin-Chen | As an independent director of the Company, please refer to page 8 for the disclosure of directors’ professional qualifications and information regarding the independence of independent directors. |
| Independent Director | Fang, Chen-Ming | As an independent director of the Company, please refer to page 9 for the disclosure of directors’ professional qualifications and information regarding the independence of independent directors. |
| Independent Director | Lee, Chin-Chang | As an independent director of the Company, please refer to page 9 for the disclosure of directors’ professional qualifications and information regarding the independence of independent directors. |

2. Regularly communicates with the Head of Internal Audit regarding audit report results in accordance with the annual audit plan.
3. Regularly exchanges views with the Company’s external auditors on the review or audit results of quarterly financial statements.
4. Reviews and approves financial reports.
5. Oversees the internal control system and related policies and procedures.
6. Reviews material loans of funds, endorsements, or guarantees.
7. Ensures regulatory compliance.
8. Reviews matters involving directors’ own interests.
9. Reviews the appointment, dismissal, or remuneration of the external auditors.
10. Reviews the appointment or dismissal of the heads of finance, accounting, or internal audit.

ii. In 2025 the Audit Committee held five meetings (A), and the member qualifications and attendance are as follows：

| Title | Name | Actual no. of meetings attended (B) | No. of meetings with entrusted attendance | Actual attendance rate (%)【B/A】 | Remarks |
|---|---|---|---|---|---|
| Independent Directors | Chien, Chin-Chen | 5 | 0 | 100% | Re-elected as an independent director in the comprehensive re-election held on May 26, 2025. |
| Independent Directors | Fang, Chen-Ming | 5 | 0 | 100% | Re-elected as an independent director in the comprehensive re-election held on May 26, 2025. |
| Independent Directors | Lee, Chin-Chang | 5 | 0 | 100% | Re-elected as an independent director in the comprehensive re-election held on May 26, 2025. |

Other items required for reporting：

I. If any of the following applies to the operations of the Audit Committee, specify the date, the session of the committee meeting, the content of the motion, the adverse opinion, qualified opinion of the Independent Directors, or the content of important recommendation, the resolution of the Audit Committee and the response of the Company to the opinion of the Audit Committee：

(I) Items stated in Article 14-5 of the Securities and Exchange Act：More details are as follows.

(II) Further to the aforementioned issues, other issues not passed by the Audit Committee but require the decision of at least 2/3 of the Directors for approval：None.

| Board meetings | Proposal content and handling | Article 14-5 of the Securities and Exchange Act | Resolutions unapproved by the Audit Committee but approved by over two thirds of the directors |
|---|---|---|---|
| 2025.01.02<br>The 12th meeting of the 3rd term | Proposal to Approve the Credit Limit for Endorsement and Guarantee Provided to a Subsidiary. | ✓ | None |
| | Proposal to Approve the Acquisition of Right-of-Use Assets from a Related Party. | ✓ | None |
| | Audit Committee Resolution (2025.01.02)：Approved by all Audit Committee members. | | |
| | The Company's response to the Audit Committee's opinions: Approved by all present directors. | | |
| 2025.03.06<br>The 13th meeting of the 3rd term | Review of the business report, individual financial statements, and consolidated financial statements of 2024. | ✓ | None |
| | Proposal to Approve the Distribution of Earnings for the Second Half of 2024 | ✓ | None |

| | | | |
|---|---|---|---|
| | Appointment of the Company's Head of Internal Audit. | ✓ | None |
| | Approval of evaluation of the effectiveness of internal control system and "Statement of Internal Control System for the Year 2024". | ✓ | None |
| | Proposed partial amendments to certain provisions of the Company's "Articles of Association." | ✓ | None |
| | Proposed partial amendments to certain provisions of the Company's "Payroll Cycle Control Procedures." | ✓ | None |
| | Proposed partial amendments to certain provisions of the Company's "Supervisory and Management Control Procedures for Subsidiaries." | ✓ | None |
| | Audit Committee Resolution (2025.03.06)：Approved by all Audit Committee members. | | |
| | The Company's response to the Audit Committee's opinions: Approved by all present directors. | | |
| 2025.05.08<br>The 14th meeting of the 3rd term | Passed the Company's 2025Q1 Consolidated Financial Statement. | ✓ | None |
| | The 2025 annual audit by the CPAs of the Company and its subsidiaries. | ✓ | None |
| | Audit Committee Resolution (2025.05.08)：Approved by all Audit Committee members. | | |
| | The Company's response to the Audit Committee's opinions: Approved by all present directors. | | |
| 2025.08.07<br>The 1st meeting of the 4th term | Passed the Company's 2025 Q2 Consolidated Financial Statement. | ✓ | None |
| | Audit Committee Resolution (2025.08.07)：Approved by all Audit Committee members. | | |
| | The Company's response to the Audit Committee's opinions: Approved by all present directors. | | |
| 2025.11.06<br>The 2nd meeting of the 4th term | Passed the Company's 2025Q3 Consolidated Financial Statement. | ✓ | None |
| | Map out the 2025 Audit Program of the Company. | ✓ | None |
| | Audit Committee Resolution (2025.11.06)：Approved by all Audit Committee members. | | |
| | The Company's response to the Audit Committee's opinions: Approved by all present directors. | | |

II. The recusal of Independent Directors from motions entailing the conflict of interest, and specify the name of the Independent Director, the content of the motion, the reasons for recusal and the vote cast：None.

III. The communication between the Independent Directors and the Chief Internal Auditors and the certified public accountants (including the material aspcts of the Company in finance and accounting, and business operation, the means of communication and the result)：

(I) Communication between Independent Directors and CPAs：

i. The Audit Committee of the Company consists of all Independent Directors. The CPAs are arranged to attend at least once a year to report to the Independent Directors about the financial status and overall operating results of the Company and its subsidiaries at home and abroad, and internal audit status. They also fully communicate any influence on accounting resulted from the changes in regulations.

ii. The Audit Committee appointed certified public accountants to audit the book for keeping shares registration and transaction records. The certified public accountants issued an Audit or's Report in accordance with applicable rules and regulations.

(II) Communication between Independent Directors and internal audit officer：

i. The revision of the "Internal Control Systems", "Internal Audit Implementation Rules" and " Statement of Internal Control" of the Company shall be submitted to the Board of Directors for resolution after the approval of the Audit Committee.

ii. The Auditing Office of the Company issues an internal audit report to the Independent Directors for review at regular intervals.

iii. The internal audit plans for the next year prepared by the internal auditing office will be submitted to the Board of Directors for resolution before the end of fiscal year.

iv. The Independent Directors and the internal audit officer shall communicate on the internal audit execution status and internal control operation status of the Company at least once a quarterly regular meeting. In addition to the audit report on the status of correction of defects and irregularities of internal control systems, the report shall be continued and follow up reminders to determine relevant units to take appropriate improvement measures in time.

(III) Communication and status between Independent Directors, CAP and internal audit officer in 2025：

| Date | Communication Member | Content | Result |
|---|---|---|---|
| 2025.03.06<br>The 13th meeting of the 3rd term | Independent Directors：<br>Chien, Chin-Chen<br>Fang, Chen-Ming<br>Lee, Chin-Chang<br>CPA：<br>Tien, Chung-Yu<br>Chief internal auditor：<br>Yeh, Shih-Lung | The certified public accountants reported and communicated regarding the completeness of the consolidated financial statements for Q4 of 2024 and the audit process. | This matter was approved by resolutions of the Audit Committee and the Board of Directors. |
| | | Report and communication of audit engagement results. | Noted; no other suggestions were raised in this meeting. |
| | | The Company's 2024 Internal Control System Effectiveness Assessment and the "Internal Control System Statement" matter. | This matter was approved by resolutions of the Audit Committee and the Board of Directors. |
| 2025.05.08<br>The 14th meeting of the 3rd term | Independent Directors：<br>Chien, Chin-Chen<br>Fang, Chen-Ming<br>Lee, Chin-Chang<br>CPA：<br>Tien, Chung-Yu<br>Chief internal auditor：<br>Yeh, Shih-Lung | The certified public accountants reported and communicated regarding the completeness of the consolidated financial statements for Q1 of 2025 and the review process. | This matter was approved by resolutions of the Audit Committee and the Board of Directors. |
| | | Report and communication of audit engagement results. | Noted; no other suggestions were raised in this meeting. |

| | | | |
|---|---|---|---|
| 2025.08.07<br>The 1st meeting of the 4th term | Independent Directors：<br>Chien, Chin-Chen<br>Fang, Chen-Ming<br>Lee, Chin-Chang<br>CPA：<br>Tien, Chung-Yu<br>Chief internal auditor：<br>Yeh, Shih-Lung | The certified public accountants reported and communicated regarding the completeness of the consolidated financial statements for Q2 of 2025 and the review process. | This matter was approved by resolutions of the Audit Committee and the Board of Directors. |
| | | Report and communication of audit engagement results. | Noted; no other suggestions were raised in this meeting. |
| 2025.11.06<br>The 2nd meeting of the 4th term | Independent Directors：<br>Chien, Chin-Chen<br>Fang, Chen-Ming<br>Lee, Chin-Chang<br>CPA：<br>Tien, Chung-Yu<br>Chief internal auditor：<br>Yeh, Shih-Lung | The certified public accountants reported and communicated regarding the completeness of the consolidated financial statements for Q3 of 2025 and the review process. | This matter was approved by resolutions of the Audit Committee and the Board of Directors. |
| | | Report and communication of audit engagement results. | Noted; no other suggestions were raised in this meeting. |
| | | To formulate the Company’s internal audit plan in 2025. | This matter was approved by resolutions of the Audit Committee and the Board of Directors. |

## (III) Corporate Governance Status, Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and：

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies ” and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| I. Does the Company follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and has the Company established and disclosed its own Corporate Governance Best Practice Principles？ | ✓ | | The Company adopted the “Corporate Governance Best Practice Principles” pursuant to a resolution of the Board of Directors on November 7, 2018, and has disclosed them on the Company’s website and the Market Observation Post System (MOPS). | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companie. |
| II. The Company's shareholding structure and shareholders' equity | | | | Consistent with the Corporate Governance Best Practice Principles for TWSE/TPEx. And the Company will reinforce the corporate governance of the Company incrementally. |
| i. Has the Company set up internal operating procedures to handle shareholder proposals, doubts, disputes and litigation matters and followed the procedures？ | ✓ | | i. The Company has established a spokesperson and acting spokesperson system in accordance with relevant regulations, and has designated responsible personnel to handle investor relations and shareholder-related matters. Meanwhile, a service window and contact information are provided on the Company’s website to facilitate timely communication and inquiries from stakeholders. | |
| ii. Does the Company have a list of its major shareholders and the ultimate controllers of the major shareholders？ | ✓ | | ii. The Company engages a stock affairs agent to regularly update the shareholders’ register, thereby fully keeping track of the major shareholders who exercise control over the Company, as well as the ultimate beneficial owners of such major shareholders. | |

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies ” and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| iii. Has the Company established and implemented risk management and firewall mechanisms with its affiliates？ | ✓ | | iii. The Company and its affiliates run the financial and business operation independent of one another with the institution of “Regulations Governing the Supervision of Subsidiaries”, “Regulations Governing Financial and Business Matters Between this Corporation and its Affilliated Enterprises.”, “Internal Control System”, and “Internal Audit System” for the establishment of risk control among the affiliates and the firewall mechanisms. | |
| iv. Has the Company set up an internal standard to prohibit the insiders’ use of private information to trade securities？ | ✓ | | iv. The Company has institute ” Procedures for Hand-ling Material Inside Information and Procedures for the Prevention of Insider Trading”, “The Adoption of Codes of Ethical Conduct”, “Ethical Corporate Management”, and the use of undisclosed information for trading securities is not permitted. | |
| III. The composition and duties of the Board of Directors<br>i.Has the Board mapped out its policy of diversity, substantive management objectives and properly pursued the policy and objective？ | ✓ | | i. For the Company’s board diversity policy, please refer to pages 12-13 of this annual report.. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companie. |
| ii.Has the Company set up other types of functional committees voluntarily in addition to the Remuneration Committee and the Audit Committee | ✓ | | ii. The company established Sustainable Development Committee through the resolution of the Board on 2022.11.10. The Committee is mainly comprised of | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| according to law？ | | | three independent directors who responsible for promoting and supervising the company's sustainable management policy. | |
| iii.Has the Company set up a performance appraisal method and an assessment method for the Board of Directors, conducted performance appraisal on a regular basis every year, submit the results of performance assessments to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination and additional office term？ | ✓ | | iii. The Company adopted the "Board Performance Evaluation Regulations" pursuant to a resolution of the Board of Directors on January 15, 2020. The Regulations stipulate that performance evaluations of the Board as a whole, individual directors, and functional committees shall be conducted annually. In addition, at least once every three years, an evaluation shall be carried out by an external professional and independent institution or a team of external experts and scholars. The results of the performance evaluation shall be reported to the Board of Directors as a basis for review and improvement. For the most recent (2025) Board performance evaluation results, please refer to pages 29-31 of this annual report。 | |
| iv.Does the Company regularly evaluate the in-dependence of its certifying accountants？ | ✓ | | iv. In accordance with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," the Company shall, at least annually, refer to Audit Quality Indicators (AQIs) to evaluate the independence and professional competence of its appointed certified public accountants. The evaluation results shall be submitted | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| | | | to the Audit Committee and, upon their review, reported to the Board of Directors for approval. The most recent annual evaluation of the accountants' independence and competence was approved by the Audit Committee on March 5, 2026, and subsequently approved by the Board of Directors on the same date.<br>The Independent Auditor Evaluation Sheet.【Form I】. | |
| IV. Has the TWSE/TPEx listed company have anadequate number of corporate governance personnel with appropriate qualifications, and appoint a chief corporate governance officer, responsible for corporate governance related matters (including but not limited to providing the directors and supervisors with required information to carry out their business, assisting directors and supervisors with legal compliance, handling corporate registration and change of corporate registration related matters and taking the minutes of board meetings and shareholders' meetings)？ | ✓ | | i. The Board of the Company resolved on 2024.8.8 to appoint the Finance Supervisor as the Corporate Governance Officer who have to execute and supervise corporate governance business of the Company and formulate relevant operating guidelines.<br>ii. Major function of the corporate governance officer：<br>1. Assist directors in complying with the law and regulations.<br>2. Assist directors in coming to office and continue training.<br>3. Keep and compile the minutes of Board meeting and Shareholders Meeting on record.<br>4. Providing Directors relevant information for operations.<br>5. Handling Board of Directors and shareholders meetings. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companie. |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| | | | 6. Report to the board of directors the results of its review of whether the independent directors' qualifications comply with relevant laws and regulations at the time of nomination, election and during their term of office.<br>7. Handle matters related to director changes.<br>8. Others are performed in compliance with applicable legal rules of the government or as appointed by the Board.<br>iii. Performance of the Corporate Governance Body in 2024：<br>1.Handled matters related to the board of directors, shareholder meetings, and institutional investors' conference. Prepare relevant materials for the meeting punctually and assist directors in complying with the law and regulations.<br>2.Assisted directors in executing business and providing related information for operations, and arranged continuing education.<br>3.Conduct the annual "corporate governance evaluation" and assist related departments to comply with applicable legal rules and regulations promulgated by the competent authority.<br>4.Timely disclosure of information in materiality and | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies " and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| | | | related announcement under law.<br>The training records of Corporate Governance Officer refers to【Form Ⅱ】. | |
| V. Has the Company established a communication channel with interested parties (including but not limited to shareholders, employees, customers and suppliers), set up an interested party page on the Company's website, and responded appropriately to interested parties concerning important corporate social responsibility issues？ | ✓ | | i. The Group has been listed at TWSE and the Emerging Stock Market, and has appointed a spokesman for communication with the stakeholders.<br>ii. The Company set up the stakeholder area on the Company website to provide detailed contact information for the dedicated personnel. Hence, the Company could properly respond to the issues that the stakeholders concern. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companie. |
| VI. Does the Company appoint a professional stock agency to handle shareholders' meeting related affairs？ | ✓ | | The Company has commissioned the Investors Service Department of Concord Securities as the agent for providing investor service and share registration. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companie. |
| VI. Information disclosure<br>i. Has the Company set up a website to disclose financial and corporate governance information？ | ✓ | | i. The Company has established a corporate website to disclose financial, business, and corporate governance information. The website can be accessed at https://www.chunyu.com.tw/. | In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companie. |
| ii. Does the Company adopt other information disclosure methods (such as setting up an English website, appointing a dedicated person | ✓ | | ii. In addition to the traditional Chinese version, the Company has also established an English version of its website. The Company has designated personnel | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| responsible for the collection and disclosure of company information, implementing the spokesman system, and posting the Company's corporate briefing process on the website, etc.)？<br>iii. Has the Company publish and report annual financial report within two months after the end of a fiscal year, and publish and report financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline？ | ✓ | | responsible for the collection and disclosure of corporate information and has implemented a spokesperson system. Materials and presentations from the annual institutional investor briefings are made available on both the Company's website and the Market Observation Post System (MOPS).<br>iii. The company has announced and issued the annual financial statement (within three months), Q1, Q2, Q3 financial statement (within 45 days) and monthly operations (on the 10th day in each month) punctually in accordance with Article 36 of the Securities and Exchange Act.<br>The Group and its separate subsidiaries are unable to disclose and declare the financial reports within 2 months after the end of the fiscal year. | |
| VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance (including but not limited to employee's rights, employee wellness, investor relations, supplier relations, stakeholders' rights, Directors and Supervisors training records, implementation of risk management policies and measurement standards, implementation of customer policies | ✓ | | i. Employees' rights：<br>1.The Company holds Labor-Management Meetings as scheduled for proper communication and co-ordination of both sides. The Company also spares no effort in keeping labor-management harmony and assuring reasonable organizational structure of the enterprise and people first management with the setup of an employee mail box to hear the vices of | There are no material differences from the provisions of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the Company will continue to progressively strengthen its corporate |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| and purchase of liability insurance for the Directors and Supervisors of the Company)? | | | the employees. In addition, the Company values the opinions and concerns for the needs of the employees on the systems and policies of the Company through random sampling for survey so that the employees could have the channels for expression of opinions.<br>2.The company has established the welfare committee to promote various welfare measures, thereby improving work performance and optimizing the workplace environment.<br>ii. Employee wellness:<br>The Company has arranged health examination for all employees to care for their psychological and physical health. In addition, the Company also seeks to assure food safety and hygiene for the employees through the scrutiny of the food suppliers in their supply of food to the employees. Furthermore, the Company also conducts a survey questionnaire for the concern of the employees to keep positive communication. Also, the counseling personnel could also provide both advice and care when employees face difficulties with work or life<br>iii. Investor relations:<br>The Company has established the Share Registrar | governance framework. |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| | | | function and the spokesman system. The Company will continue to enhance information transparency further to the routine disclosure of vital information on the operation. In addition, the Company also established the feedback mechanisms for the investors to express opinions and give comments.<br>iv. Supplier relations:<br>The Company actively strengthens supplier relationship management by establishing comprehensive supplier selection, management, and audit mechanisms. Through regular on-site visits, performance evaluations, and two-way communication channels, the Company ensures that its supply chain complies with corporate governance principles, ethical business conduct, and applicable laws and regulations.<br>Through feedback and information exchange with suppliers, the Company is able to promptly identify operational risks and monitor the effectiveness of internal control implementation. Such interactions also serve as an important reference for evaluating the effectiveness of corporate governance practices, thereby enhancing overall transparency and supporting the Company's sustainable development. | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies " and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| | | | v. Rights of Stakeholders:<br>The Company has established diverse engagement channels tailored to different stakeholder groups and discloses them annually in its sustainability report. In addition, the Company reports to the Board of Directors each year on its communications with stakeholders, enabling the Board to understand stakeholders' perspectives and concerns.<br>vi. The implementation of continuing education for Directors：For additional information, visit the MOPS website.<br>vii. Risk management policy and implementation：<br>The Company has established various internal control policies in accordance with applicable laws and regulations, formulated audit plans, and monitors, controls, and tracks relevant risk matters.<br>viii. Implementation of Customer Policy:<br>The Company is committed to providing customers with high-quality, cost-effective products, and through multiple channels—such as customer service hotlines, on-site visits, and after-sales services—gains insights into customer needs, enhances customized services, and meets customer expectations. | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies " and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| | | | ix. The company purchases directors' and officers' liability insurance:<br>The Company has purchased directors' and officers' liability insurance since December 1, 2016, and arranges for annual renewal at the end of each year. | |
| (IX)Please state the improvements made to the items in the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd., and indicate the enhancement and improvement measures for the items not yet improved：<br>The Company participated in the 9th Corporate Governance Evaluation in 2025.The following is a description on improvements the Company has undertaken, and the prior reinforcement of matters and measures：<br>i. The Company will review the items for which no score was obtained and discuss directions for subsequent improvement.<br>ii.The Company's priority area for strengthening corporate governance is Item No. 2.14 (ESG Evaluation Code G-17): Whether the Company has established a Nomination Committee composed of no fewer than three members, with more than half of the members being independent directors, and convened and chaired by an independent director, and whether its composition, duties, and operations are disclosed. | | | | |

【Table I】CPA Independency Evaluation Sheet

| Evaluation Item | Yes | No |
|---|---|---|
| 1.CPAs are free of any direct and indirect financial interest with the Company. | √ | |
| 2.CPAs are not in any borrowing or guarantee arrangement with the Company and directors/supervisors of the company. | √ | |
| 3.CPAs remain unaffected by the risk of customer loss while performing audits. | √ | |
| 4.CPAs are not in a close business or potential employment relationship with the company. | √ | |
| 5.CPAs do not charge any contingent fee relating to the audit. | √ | |
| 6.CPAs or members of the audit team are not or were not within the last two years a director, supervisor or officer of this Company or involved in any duty that will substantially affect the audit. | √ | |
| 7.The non-audit service provided by CPAs does not contain important items with direct impact on the audit. | √ | |
| 8.CPAs do not promote or sell the stock issued by this Company or other securities. | √ | |
| 9.CPAs do not defend for this Company or represent this Company in conflict mediation with a third party. | √ | |
| 10.CPAs are free of any relationship with the Company's directors, supervisors, officers, or any staff having significant influence on the audit. | √ | |
| 11.CPAs do not have partners who are directors, supervisors, officers, or any staff having significant influence on the audit of this Company within one year after resignation from the firm. | √ | |
| 12.CPAs do not undertake regular work duty at the Company or receive fixed salary from the Company. | √ | |
| 13.CPAs are not involved in the management of this Company's decision-making. | √ | |
| 14.CPAs are reappointed at least once every 7 years as of the most recent audit. | √ | |
| 15.CPAs are free of penalties and occurrences that may compromise independence so far. | √ | |

【Table II】Education status of the corporate governance officer：

| Title | Name | Date | Organizer | Name of Course | Education Hours |
|---|---|---|---|---|---|
| Corporate Governance Officer | Su, Hsien Ming | 2025.06.30 | Accounting Research And Development Foundation | Training Program on Sustainability Information Preparation and Disclosure Practices | 6 |
| | | 2025.08.07 | Taiwan Institute of Directors | Avoiding Inadvertent Insider Trading: A Guide for Companies and Directors/Supervisors | 3 |
| | | 2025.11.06 | Taiwan Corporate Governance Association | Recent Developments in International Tax Law: Impacts on Business Operations and Strategic Responses | 3 |

## (IV) Component And Operation Status of Remuneration Committee

i. Remuneration Committee Member Information：

| Criteria / Identity And Name | | Professional Qualification and Work Experience | Independence Criteria | Number of other public companies in which the individual is concurrently serving as an independent director |
|---|---|---|---|---|
| Independent Director（convenor） | Fang, Chen-Ming | Serves as an Independent Director of the Company; please refer to page 10 for disclosure of directors’ professional qualifications and information regarding the independence of independent directors. | Serves as an Independent Director of the Company; please refer to page 10 for disclosure of directors’ professional qualifications and information regarding the independence of independent directors. | Nil |
| Independent Director | Chien, Chin-Chen | Serves as an Independent Director of the Company; please refer to page 9 for disclosure of directors’ professional qualifications and information regarding the independence of independent directors. | Serves as an Independent Director of the Company; please refer to page 9 for disclosure of directors’ professional qualifications and information regarding the independence of independent directors. | 1 |
| Independent Director | Lee, Chin-Chang | Serves as an Independent Director of the Company; please refer to page 11 for disclosure of directors’ professional qualifications and information regarding the independence of independent directors. | Serves as an Independent Director of the Company; please refer to page 11 for disclosure of directors’ professional qualifications and information regarding the independence of independent directors. | Nil |

ii. Remuneration Committee Operation Status：

1. The Remuneration Committee of the Company is composed of three members.
2. Duty of Remuneration Committee：
   (1) Evaluate and monitor the remuneration to the Directors and Managers of the Company.
   (2) Periodically reviewing remuneration committee charter and making recommendations for amendments.
3. The current committee members serve a term from August 7, 2025 to May 25, 2028. In 2025, the Remuneration Committee held three meetings(A). The attendance of the members is presented as follows：

| Title | Name | Actual number of attendances (B) | Number of attendances by proxy | Actual attendance rate (%) (B/A) | Remarks |
|---|---|---|---|---|---|
| Independent Director | Fang, Chen-Ming | 3 | 0 | 100% | Convenor |
| Independent Director | Chien, Chin-Chen | 3 | 0 | 100% | |
| Independent Director | Lee, Chin-Chang | 3 | 0 | 100% | |

Other items required for reporting：

I. If the Board of Directors did not adopt or amend the suggestion of the Remuneration Committee, please indicate the date and session number of the board meeting, the contents of the motion, the result of the resolution and the Company's handling of the suggestion of the Remuneration Committee (if the remuneration passed by the board is better than the suggestion of the Remuneration Committee, please state the difference and the reasons)：None.

II. If any member had objections or reservations about the resolution of the Remuneration Committee and there is a record or a written statement, please indicate the date and session number of the Remuneration Committee meeting, the contents of the motion, all the opinions of the members and how the opinions were handled：None.

III. The operation Status of Remuneration Committee during the most recent fiscal year：

| Remuneration Committee | Contents | Result | The Company's response to the Remuneration Committee's opinions |
|---|---|---|---|
| 2025.01.02<br>The 11th meeting of the 6th term | Motion for the release of the year-end bonus in 2024. | Approved unanimously by all attending committee members and submitted to the Board of Directors for resolution. | Approved unanimously by all directors present. |
| 2025.03.06<br>The 12th meeting of the 6th term | Proposal for the distribution of Directors' and employees' remuneration for the year 2024.<br>Proposal for the salary recommendation of the Company's Accounting and Finance Manager. | Approved unanimously by all attending committee members and submitted to the Board of Directors for resolution. | Approved unanimously by all directors present. |
| 2025.05.08<br>The 13th meeting of the 6th term | Motion for the remuneration to the Directors in 2024.<br>Motion for the remuneration to the managers in 2024. | Approved unanimously by all attending committee members and submitted to the Board of Directors for resolution. | Approved unanimously by all directors present. |

## (V) Component And Operation Status of Sustainable Development Committee

1.Sustainable Development Committee Operation Status：

(1)The Company's Sustainability Development Committee consists of three members. The member information is as follows：

| Identity And Name (Criteria) | | Professional Qualification and Work Experience |
|---|---|---|
| Independent Director（convenor） | Chien, Chin-Chen | Serves as an Independent Director of the Company; please refer to page 9 for disclosure of directors' professional qualifications and information regarding the independence of independent directors. |
| Independent Director | Fang, Chen-Ming | Serves as an Independent Director of the Company; please refer to page 10 for disclosure of directors' professional qualifications and information regarding the independence of independent directors. |
| Independent Director | Lee, Chin-Chang | Serves as an Independent Director of the Company; please refer to page 11 for disclosure of directors' professional qualifications and information regarding the independence of independent directors. |

(2)Duty of Sustainable Development Committee：

①Advocate and reinforce the organization and system of corporate governance.

②Map out the sustainable development strategy and supervise the schedules of the projects.

③Educate and materialize the works on ethical corporate management.

④Establish ad hoc task force to coordinate human resources allocation among the functional departments.

⑤Administer and supervise matters of corporate governance and risk management.

⑥Carry out the assignments given under the resolution of the Board.

(3)Current member's tenure：2025.08.07 to 2028.05.25. In 2024 the Sustainable Development Committee held two meetings (A), and the member qualifications and attendance are as follows：

| Title | Name | Actual number of attendances (B) | Number of attendances by proxy | Actual attendance rate (%) (B/A) | Remarks |
|---|---|---|---|---|---|
| Independent Director | Chien, Chin-Chen | 2 | 0 | 100% | Convenor |
| Independent Director | Fang, Chen-Ming | 2 | 0 | 100% | |
| Independent Director | Lee, Chin-Chang | 2 | 0 | 100% | |

(4)The dates of meetings, contents of motion, resolutions of the Sustainable Development Committee during the most recent fiscal year and the Company’s response to the Sustainable DevelopmentCommittee’s opinion:

| Date | Content | Handling of the Opinions |
|---|---|---|
| 2025/01/02<br>The 5th meeting of the 1st term | The Company’s 2025 implementation plan for the “Sustainable Environmental Development Task Force” is hereby submitted for review and acknowledgment. | Noted; there were no other comments in this meeting. |
| | The Company’s 2025 implementation plan for the “Employee Relations and Social Welfare Task Force” is hereby submitted for review and acknowledgment. | Noted; there were no other comments in this meeting |
| | The Company’s 2025 implementation plan for the “Corporate Governance and Integrity Management Task Force” is hereby submitted for review and acknowledgment. | Noted; there were no other comments in this meeting |
| 2025/11/06<br>The 1st meeting of the 2rd term | The Company’s annual implementation report of the “Sustainable Environmental Development Task Force. | Noted; there were no other comments in this meeting |
| | The Company’s annual implementation report of the “Employee Relations and Social Welfare Task Force. | Noted; there were no other comments in this meeting |
| | The Company’s annual implementation report of the “Corporate Governance and Integrity Management Task Force. | Noted; there were no other comments in this meeting |

## (VI) The pursuit of sustainable development and Variation from the Sustainable Development Best Practice Principles of TWSE-Listed and TPEx-Listed Companies and the reason：

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| I. Has the Company built up a governance framework for the advocacy of sustainable development, and established a full-time (part-time) body for the advocacy of sustainable development led by a senior officer with the authorization of the Board and under the supervision of the Board？ | ✓ | | (I)On November 10, 2022, the Company's Board of Directors resolved to adopt the "Sustainability Development Committee Charter" and formally establish the Sustainability Development Committee. The Committee is composed entirely of independent directors and is authorized to collaborate with the General Manager and senior executives of each department to jointly promote and oversee the implementation of the Company's sustainable business policies, ensuring that its sustainability objectives are effectively achieved. To further implement sustainable business policies and the risk management framework, the Committee has established three task forces: the "Sustainable Environmental Development Task Force," the "Employee Relations and Social Welfare Task Force," and the "Corporate Governance and Integrity Management Task Force." These task forces are responsible for operational management, promoting initiatives, executing the Committee's resolutions, and regularly reporting implementation progress to the Committee.<br>(II)The Company's Sustainability Development Committee holds at least two meetings each year. For details on its composition, | There are no material differences compared with the requirements of the "Sustainability Best Practice Principles for TWSE/TPEx Listed Companies." |

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| | | | operations, and annual implementation, please refer to page52.<br>(III)The Company's Sustainability Development Committee reported to the Board of Directors on January 2 and November 6, 2025, covering the following：<br>i.The 2025 implementation plans of each task force.<br>ii.The 2025 implementation status of each task force.<br>(IV)The Company will introduce or adjust related internal rules and regulations and organizations as dictated by applicable legal rules and the actual situation of operation. | |
| II. Has the Company conducted assessment on the risks inherent to the operation environment, social context, and issues of corporate governance under the principle of materiality, and mapped out the risk management policy or strategy？ | ✓ | | (I) The disclosed information covers the Company's sustainability performance at its major operating locations for the period from January 1 to December 31, 2025. The boundary for risk assessment is primarily limited to the Company and does not yet include its subsidiaries.<br>(II) The Company established the "Risk Management Policy and Procedures" in 2024 and formed a Risk Management Task Force composed of department heads. The task force is responsible for assessing and analyzing risks and opportunities, as well as implementing relevant strategies and actions to mitigate the impact of such risks.<br>Based on the identified risks, corresponding risk management policies have been formulated. Please refer to Note 1 for details. | There are no material differences compared with the requirements of the "Sustainability Best Practice Principles for TWSE/TPEx Listed Companies." |

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| III. Environmental issues<br>i.Has the Company established an appropriate environmental management system according to its industrial characteristics？ | ✓ | | (I) Environmental management：<br>i. In response to international trends and customer requirements, the Company has established an environmental management system and obtained ISO 14001 certification (valid from 2024/04/16 to 2027/03/25), while continuously promoting environmental sustainability.<br>ii. The Company has established an environmental management system in accordance with its industry characteristics, covering aspects such as pollution prevention, waste management, energy efficiency, and greenhouse gas reduction. Operational procedures and management mechanisms have been formulated in compliance with relevant laws and regulations.<br>In addition, in accordance with the regulations of the Ministry of Environment, all plants of the parent company conduct annual greenhouse gas inventories in compliance with ISO 14064-1 requirements.<br>In addition, the Company ensures the effective implementation of various environmental management measures through internal audits and employee training. The Company also continuously reviews and enhances its environmental management system in accordance with | There are no material differences compared with the requirements of the “Sustainability Best Practice Principles for TWSE/TPEx Listed Companies.” |

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| ii.Has the Company made effort in upgrading energy efficiency and using regenerated materials for mitigating the impact on the environment？ | ✓ | | regulatory requirements and operational needs, with the aim of achieving its corporate sustainability objectives.<br>(II) Energy Management：<br>The Company has long paid close attention to energy management issues. In light of the continuous increase in domestic electricity consumption and the fact that the metal-related manufacturing industry is inherently energy-intensive, and considering recent changes in domestic and international energy and economic conditions, as well as alignment with national energy policies and the net-zero emission pathway, the Company conducts annual rolling reviews of its electricity demand.<br>In addition to implementing energy-saving and carbon-reduction initiatives and replacing outdated, high-energy-consuming equipment to improve energy efficiency, the Company is also actively planning renewable energy development projects and formulating corresponding measures and solutions to ensure stable power supply. At present, the Company has installed solar power generation facilities with a capacity of over 1.6 MW on leased factory rooftops. It is also continuously planning additional photovoltaic installations for self-consumption, as well as other new energy development projects. | |

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| | | | Upon completion of renewable energy development, the Company will evaluate participation in the RE100 initiative, further strengthening the diversified development of renewable energy to meet internal demand and enhance international competitiveness. | |
| iii.Is the Company aware of the impact of climate change on its operations, and has it implemented greenhouse gas checking and developed a strategy for reduction of energy consumption and carbon emission as well as greenhouse gas reduction？ | ✓ | | (III) Please refer to pages 83 to 89 of this Annual Report (Climate-related Information) | |
| iv.Has the Company kept statistical data on the greenhouse gas emission volume, water consumption capacity and weight of solid wastes and made policies on energy saving and carbon reduction, greenhouse gas reduction, efficient use of water or the management of solid wastes？ | ✓ | | (IV) Greenhouse Gas Emissions, Water Usage, and Waste Management:<br>i.Greenhouse Gases<br>The Company's greenhouse gas inventory results, assurance status, and reduction policies are detailed on pages 83 to 89 of this Annual Report (Climate-related Information). | |

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
ii.Water Usage<br>
A.Water Withdrawal Statistics
<table>
<tr><th>Item</th><th>2025</th><th>2024</th></tr>
<tr><td>Water withdrawal (million liters)</td><td>215.92</td><td>226.31</td></tr>
<tr><td>Wastewater discharge (million liters)</td><td>92.74</td><td>125.83</td></tr>
<tr><td>Water consumption (million liters)</td><td>123.18</td><td>100.48</td></tr>
<tr><td>Internal recycled water usage (million liters)</td><td>8.64</td><td>21.24</td></tr>
<tr><td>Water recycling and reuse rate (%)</td><td>4.00</td><td>9.39</td></tr>
<tr><td>Water intensity (million liters / revenue (NT$ million))</td><td>0.06</td><td>0.06</td></tr>
</table>
Note:<br>
a.The 2024 data has been subject to limited assurance by PricewaterhouseCoopers in accordance with ISAE 3000. The 2025 data is based on internal inventory and has not yet been assured by auditors; figures will be finalized upon publication of the Sustainability Report after assurance.<br>
b.The scope of this data covers the Company’s headquarters, the Gangshan Plant, and the Jiaxing Plant.<br>
B.Specific actions<br>
The Company’s headquarters, Gangshan Plant, and Jiaxing Plant primarily source their water from the Nanhua
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Reservoir. According to the “Water Risk Atlas” published by the World Resources Institute, the water risk level of the regions where these sites are located is assessed as low to medium, indicating that the Company’s water withdrawal activities have no significant impact on local water resources.<br>Nevertheless, the Company places strong emphasis on the sustainable use of water resources and actively promotes water conservation and recycling measures. Through the establishment of a comprehensive water recycling and treatment system, the Company effectively reduces overall water consumption.<br>In addition, regular wastewater quality monitoring and management are conducted for plant effluents to ensure compliance with regulatory standards and to minimize environmental impact on receiving water bodies, thereby fulfilling its corporate environmental responsibility.<br>iii.Waste Management<br>A.Waste Statistics<br>Unit: metric tons
<table>
<tr><th>Item</th><th>Treatment methods</th><th>2025</th><th>2024</th></tr>
<tr><td>Hazardous waste</td><td>Recycling / Reuse</td><td>953.65</td><td>648.77</td></tr>
<tr><td>Non-hazardous</td><td>Recycling / Reuse</td><td>148.69</td><td>937.93</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td rowspan="3">waste</td><td>Landfill disposal</td><td>-</td><td>286.40</td></tr>
<tr><td>Physical treatment</td><td>1,005.04</td><td>178.17</td></tr>
<tr><td>Other disposal methods</td><td>133.13</td><td>244.88</td></tr>
<tr><td colspan="2">Total</td><td>2,240.51</td><td>2,296.15</td></tr>
</table>
Note:<br>
a.The 2024 data has been subject to limited assurance by PricewaterhouseCoopers in accordance with ISAE 3000. The 2025 data is based on internal inventory and has not yet been assured by auditors; the assured figures will be finalized and disclosed in the Sustainability Report.<br>
b.The scope of this data covers the Company’s headquarters, the Gangshan Plant, and the Jiaxing Plant.<br>
B.Specific actions<br>
Waste generated during the manufacturing process and its potential environmental impacts are key management concerns of the Company. Waste produced by Spring Industrial Co., Ltd. during production primarily includes inorganic sludge, scrap iron, and general industrial waste such as domestic refuse. In addition, due to the pickling process required in steel manufacturing to remove surface
</td><td></td></tr>
</table>

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| | | | oxidation layers, hazardous industrial waste such as spent pickling acid is also generated.<br>The Company manages all types of waste in accordance with relevant regulations issued by the Resource Circulation Administration, Ministry of Environment, and implements environmental, safety, and health management systems to ensure compliance and proper handling of waste disposal.<br>At the same time, the Company has adopted the 4R principles (Reduce, Reuse, Recycle, Recovery) as its circular economy management framework, actively promoting source reduction and resource reuse to enhance waste recycling rates. Within the scope of regulatory compliance, the Company continuously optimizes process management, strengthens environmental impact assessment and control across all stages, and implements mitigation measures to reduce environmental burden.<br>Looking forward, the Company will continue to refine its waste management strategy and steadily progress toward waste reduction, resource circularity, and the goal of sustainable zero waste. | |
| IV. Social issues<br>(I) Has the Company formulated relevant | ✓ | | (I) The Company respects and adheres to the United Nations | There are no material |

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>management policies and procedures in accordance with relevant laws and regulations and international human rights conventions？</td><td></td><td></td><td>Universal Declaration of Human Rights, the United Nations Global Compact, and the labor standards set forth in International Labour Organization Conventions. Relevant management systems and procedures have been established and implemented to safeguard employees’ legitimate rights and interests.<br>In addition, the Company’s Sustainability Development Committee has established an Employee Relations and Social Welfare Subcommittee, which is responsible for organizing meetings to discuss management policies related to human rights issues. Major progress and developments are reported to the Board of Directors.<br>Taiwan is a society that embraces and accommodates cultural and ethnic diversity. Chun Yu Co. also upholds this inclusive spirit and is committed to fostering a diverse workforce. In all aspects of employment, including recruitment, selection, performance evaluation, and promotion, decisions are made without regard to nationality, gender, age, appearance, race, or ideology, and any form of discrimination is strictly prohibited. The Company treats all employees equally and is dedicated to safeguarding the rights of all groups.<br>The Company also complies with Article 44 of the Labor Standards Act and Article 29 of the Occupational Safety and</td><td>differences compared with the requirements of the “Sustainability Best Practice Principles for TWSE/TPEx Listed Companies.”</td></tr>
</table>

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Health Act, and does not employ child labor. During the reporting period, the Company complied with all labor-related regulations and did not have any incidents involving violations of indigenous peoples’ human rights.<br>In the event of any intolerable violation, the Company has established a grievance mechanism (https://www.chunyu.com.tw/contact-window-and-reporting-method/) and corresponding follow-up measures to ensure proper handling and accountability.<br>The Company conducts annual employee satisfaction surveys to identify and assess various high-risk human rights issues. Based on the potential risks identified in the survey results, the Company formulates and implements corresponding human rights risk mitigation measures, and continuously monitors their effectiveness. This process aims to reduce adverse impacts on employees and stakeholders while strengthening the overall human rights protection framework:
<table>
<tr><th>Human Rights Focus Groups</th><th>High-risk Issues</th><th>Remedial Measures</th><th>Risk Mitigation</th></tr>
<tr><td>Employees</td><td>Providing a Safe and Healthy</td><td>• Aiming for zero accidents and risk reduction.</td><td>1. Implementing a health management</td></tr>
</table>
</td><td></td></tr>
</table>

| Item of implementation | Status of implementation | | | | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|---|---|---|
| | Yes | No | Abstract Explanation | | | | |
| | | | | Working Environment | • Improving on-site facilities and enhancing occupational safety and health awareness.<br>• Strengthening protection against machinery hazards and environmental risks.<br>• Conducting analysis, investigation, and follow-up management based on the correlation between health examination results and job duties.<br>• Promoting health initiatives and encouraging employees' voluntary participation to maintain a healthy lifestyle. | program, with the appointment of a nurse and a contracted physician to provide health consultations and comprehensive health management services.<br>2. Organizing employee health examination programs. | |
| | | | Employees | Workplace Diversity and Inclusion | • Strictly complying with local labor laws, international standards, and the Company's human rights policy, and eliminating unlawful discrimination.<br>• Ensuring that starting salaries for employees | To accommodate the diverse needs of employees, the Company provides cooking areas and basketball courts to help relieve work-related stress, and periodically | |

| Item of implementation | Status of implementation | | | | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|---|---|---|
| | Yes | No | Abstract Explanation | | | | |
| | | | | | with the same seniority and job level are not differentiated by gender or age. | organizes ball sports activities. | |
| | | | Employees | Wages and Working Hours | The Company strictly complies with local labor laws and its human rights policy, respects workers' freedom, and prohibits any form of forced labor or labor exploitation. | In response to production capacity requirements, the Company recruits an adequate number of employees to avoid overtime caused by manpower shortages. In addition, overtime compensation and insurance contribution amounts are calculated accurately in accordance with applicable laws and regulations. | |
| | | | Suppliers | Wages and Working Hours | If suppliers have not established effective working hour management systems, they are required to comply with corporate social responsibility standards and relevant labor regulations issued by local competent | Suppliers are required to accept on-site audits and inspections conducted by the Company and to provide all necessary audit information in a truthful and | |

| Item of implementation | Status of implementation | | | | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|---|---|---|
| | Yes | No | Abstract Explanation | | | | |
| | | | | | authorities. | complete manner. They shall promptly take corrective and remedial actions for any non-compliance with corporate social responsibility standards. | |
| | | | Contractors | Health and Safety | The Company has established a goal of zero occupational injuries for contractors. In addition to complying with occupational safety and health regulations, contractors are also required to adhere to the Company's operational standards, including the "Contractor Labor Outsourcing Management" procedures. | Upon entry to the Company's premises, contractors are required to complete occupational safety and health training and orientation. They must also submit the "Contractor Safety Work Permit Application Form," "Contractor Workforce Roster," and "Other Work Permit Application Forms" to ensure full understanding of relevant environmental, health, and safety requirements. In addition, | |

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td></td><td></td><td></td><td>contractors are required to sign a “Safety and Health Responsibility Commitment Letter,” ensuring that all personnel under their management comply with occupational safety and health regulations while performing work on-site.</td></tr></table></td><td></td></tr>
<tr><td>(II) Does the Company formulate and implement reasonable policies of staff welfare (including compensation, vacation and other welfares), and reflect the operating performance or achievement in the compensation of the employees properly？</td><td>✓</td><td></td><td>(II) The Company has established incentive mechanisms such as performance bonuses and employee compensation, through which operating profits are shared with employees based on their performance. In addition, the Company has implemented performance evaluation and reward-and-discipline systems to guide employee behavior in alignment with its sustainable development policies.<br>i. Compensation System: The Company adheres to the fundamental principles of the Labor Standards Act. To adequately care for employees and safeguard their living conditions, salary levels are determined based on factors such as education, experience, professional knowledge and skills,</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>seniority, and individual performance. Compensation is provided without discrimination on the basis of gender, religion, race, or political affiliation.<br>ii.Performance Evaluation System: To enhance individual and overall organizational performance, the Company has established a fair and reasonable performance evaluation system. Employees are assessed based on different criteria according to their roles and job levels. All employees are evaluated semi-annually, and the results serve as the basis for promotions, salary adjustments, bonus distribution, and employee training and development.<br>iii.Employee Welfare System:<br>A.The Company firmly believes that employees are valuable assets. Guided by the principle of safeguarding these important assets, the Company is committed to providing diverse and comprehensive welfare programs and activities. By taking good care of its employees, the Company aims to achieve sustainable development.<br>In addition, to promote employees’ physical and mental well-being, the Company encourages participation in club activities. Currently, various clubs have been established, including fishing, floral arrangement and baking, dance,</td><td></td></tr>
</table>

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| | | | softball, and badminton clubs. These activities allow employees to relieve stress and strengthen interpersonal relationships outside of work, thereby achieving a better work–life balance.<br>In terms of employee benefits, the Company offers festival bonuses, birthday gifts, regular employee trips, scholarships for employees' children, emergency and medical assistance, meal allowances, as well as various club and recreational activities.<br>B.In accordance with Article 39 of the Company's Articles of Incorporation, if the Company records a profit for the year, no less than 2% of such profit shall be allocated as employee compensation, of which 0.4% shall be specifically allocated to grassroots employees. In addition, up to 2% may be allocated as remuneration for directors. However, if the Company has accumulated losses, an amount shall first be reserved to cover such losses.<br>For the year 2025, the Company distributed cash-based employee compensation amounting to NT$1,340 thousand, of which NT$268,000 was allocated to grassroots employees.<br>iv.Retirement System: To safeguard employees' retirement benefits, the Company has established relevant retirement | |

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| | | | policies in accordance with the Labor Standards Act and the Labor Pension Act. In compliance with the Labor Standards Act, the Company contributes 4% of the total monthly salaries of employees covered under the old pension scheme to a retirement reserve fund. In addition, before the end of each year, the Company evaluates whether the balance of the retirement reserve is sufficient to meet the estimated retirement payments for employees eligible to retire in the following year.<br>Since July 2005, following the implementation of the Labor Pension Act, the Company has contributed 6% of employees' monthly salaries to their individual pension accounts maintained by the Bureau of Labor Insurance in accordance with the law. Employees may also make voluntary contributions ranging from 0% to 6% of their monthly salaries to their pension accounts.<br>For the year 2025, the Company recognized expenses of NT$9,233 thousand under the defined benefit plan (old pension scheme) and NT$12,551 thousand under the defined contribution plan (new pension scheme). | |
| (III) Does the Company provide a safe and healthy working environment for employees and regularly carry out | ✓ | | (III) A.Occupational Safety and Health Management System<br>In accordance with occupational safety and health regulations, the Company has established and implemented | |

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>safety and health education for employees？</td><td></td><td></td><td>an Occupational Safety and Health Management System to provide a safe and healthy working environment. The Company complies with applicable occupational safety and health laws and related requirements to reduce occupational safety and health risks.<br>The Company has obtained ISO 45001:2018 certification, valid from May 5, 2024 to May 5, 2027.<br>B.Occupational Safety and Health Committee<br>To ensure the continued suitability, adequacy, and effectiveness of the Occupational Safety and Health Management System, the Company has established an “Occupational Safety and Health Committee,” which is jointly composed of management and employee representatives. Employee representatives account for more than one-third of the committee, and the General Manager serves as the chairperson.<br>The committee holds quarterly meetings to provide recommendations on occupational safety and health policies and is responsible for reviewing, coordinating, and supervising relevant matters. In addition, a management review meeting is held annually to evaluate the performance of the management system, facilitate communication, and</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>drive continuous improvement.<br>The Company is committed to safeguarding the health and safety of all employees, continuously enhancing its management mechanisms, and creating a safe working environment, with the ultimate goal of achieving zero accidents<br>C.Occupational Health and Safety Training<br>The Company conducts training programs to enhance employees’ awareness of environmental, health, and safety (EHS) issues and to promote environmental protection concepts. The performance of EHS awareness training for 2025 is as follows:
<table>
<tr><th>Training Category</th><th>Number of courses conducted</th><th>Total training hour</th><th>Number of trainees</th></tr>
<tr><td>Prevention of occupational accidents and diseases</td><td>23</td><td>56.5</td><td>215</td></tr>
<tr><td>Implementation of greenhouse gas inventory to establish a baseline year, and promotion of waste reduction and pollution prevention measures</td><td>3</td><td>9</td><td>34</td></tr>
<tr><td>Strengthen the in-plant emergency response and fire brigade capabilities for disaster rescue.</td><td>6</td><td>24</td><td>125</td></tr>
<tr><td>Enhance employees’ competency in environmental protection regulations.</td><td>2</td><td>6</td><td>28</td></tr>
<tr><td>Enhance employees’ awareness and understanding of environmental protection</td><td>13</td><td>30</td><td>127</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td><br>(IV) Has the Company developed an effective training program for employees？</td><td><br>✓</td><td></td><td><table>
<tr><td>concepts</td><td></td><td></td><td></td></tr>
<tr><td>Ensure a safe and healthy working environment, and prevent the occurrence of occupational accidents and diseases</td><td>58</td><td>281</td><td>599</td></tr>
<tr><td>Incorporate environmental considerations to establish pollution risk indicators</td><td>2</td><td>6</td><td>25</td></tr>
<tr><td>Promote improvements in energy efficiency</td><td>3</td><td>9</td><td>31</td></tr>
</table>(IV) Employee Training Plan:<br>A.New Employee Training: To help new employees integrate into the working environment, onboarding training courses are arranged upon entry to introduce the Company’s organization, regulations, compensation, and benefit systems. Dedicated personnel are also assigned to provide guidance and assist new employees in adapting to their job responsibilities.<br>B.The Company is committed to collaborating with academic institutions and professional organizations. Based on business strategies and management objectives, training programs are planned to enhance employees’ knowledge and skills.<br>C.Job Rotation: The Company implements job rotation programs across departments, functional areas, and overseas assignments to enhance employees’ work experience and skills, thereby improving their competitiveness and</td><td></td></tr>
</table>

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|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| | | | strengthening the Company’s overall operations. | |
| (V) Regarding customer health and safety, customer privacy, marketing and labeling of product and services, has the Company complied with applicable legal rules and international standards？ | ✓ | | (V) Customer Management Policy:<br>A.Most of the Company’s products are not directly sold to general consumers. Marketing of products and services is conducted in compliance with relevant laws, regulations, and international standards. The Company has established the “Personal Data Management Regulations” to protect customer privacy. Clear procedures have been defined for customer complaints, returns, exchanges, and compensation applications. The Company also provides multiple communication channels for customers and assigns dedicated personnel to consolidate and respond to issues, ensuring that customer needs are properly addressed.<br>B.The Company regularly holds project meetings to review customer feedback and issues, and develops improvement measures based on the outcomes of these reviews. | |
| (VI) Has the Company established supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational health and safety, or labor and human rights | ✓ | | (VI) Supplier Management Policy:<br>The Company believes that only through collaboration and mutual support across the upstream and downstream supply chain can overall industrial upgrading be achieved and sustainable environmental and social development be promoted. Therefore, in supplier management and selection, in | |

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| issues, and what is the implementation status? | | | addition to basic considerations such as price, quality, and delivery time, the Company also places strong emphasis on human rights protection and environmental sustainability.<br>The Company requires suppliers and contractors to comply with corporate social responsibility (CSR) requirements and to sign the “Social Responsibility Commitment Letter” and the “Supplier Integrity and Anti-Bribery Commitment Letter,” in which they commit to complying with local laws and regulations regarding labor rights, occupational health and safety, environmental protection, and business ethics. In addition, the Company conducts regular training and awareness programs to strengthen suppliers’ understanding and implementation of human rights and environmental issues.<br>In 2025, a total of 25 new suppliers joined, all of whom have completed the signing of the aforementioned commitment letters. Going forward, the Company will continue to increase the signing coverage among suppliers, strengthen supply chain management, enhance positive influence, and work together toward sustainable development goals.<br>Furthermore, suppliers and contractors are required to cooperate with the Company’s on-site audits and to provide relevant review documents truthfully. In cases of | |

| Item of implementation | Status of implementation | | | Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| | | | non-compliance with CSR standards, corrective and improvement actions must be implemented promptly.<br>At the same time, compliance status shall be regularly reviewed, and relevant information shall be disclosed to employees to continuously enhance management effectiveness and ensure compliance with, and gradual advancement beyond, corporate social responsibility requirements. | |
| V. Has the Company referred to internationally recognized reporting standards or guidelines when preparing sustainability reports or other disclosures of non-financial information? Has the aforementioned report obtained assurance or verification from a third-party assurance provider? | ✓ | | The Company's Sustainability Report is prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI), following the Core option guidelines and structure. The report discloses the Company's key sustainability issues, strategies, objectives, and measures.<br>In addition, the report has been subject to limited assurance by PricewaterhouseCoopers in accordance with ISAE 3000. | There are no material differences compared with the requirements of the "Sustainability Best Practice Principles for TWSE/TPEx Listed Companies." |
| VI. If the Company has established its own sustainability development guidelines in accordance with the "Sustainability Best Practice Principles for TWSE/TPEx Listed Companies," please describe the implementation status and any differences from the adopted principles:<br>The Company has established the "Sustainability Development Committee Charter" and set up a Sustainability Development Committee to assist in the overall operational activities of the Group. Although certain provisions have been adjusted based on the Company's practical needs, the underlying principles remain consistent with the "Sustainability Best Practice Principles for TWSE/TPEx Listed Companies."<br>For details regarding the Company's sustainability development practices, please refer to the Sustainability Report and the Company's official | | | | |

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td colspan="5">website.</td></tr>
<tr><td colspan="5">VII. Other important and helpful information in understanding sustainable development operation：<br>(I) Local Culture:<br>Taiwan is widely known as the “Kingdom of Screws,” with approximately 70% of the fastener industry concentrated in the Gangshan District of Kaohsiung. To preserve the industry’s development history and manufacturing techniques, the Kaohsiung City Government has promoted the establishment of the Taiwan Screw Museum to collect and exhibit relevant historical records and process evolution.Based on its commitment to local engagement, the Company has provided oral history records, manufacturing process documentation, and exhibition artifacts to support the preservation and inheritance of industrial culture, thereby contributing to the sustainable development of Taiwan’s fastener industry.<br>(II) Social Contribution:<br>i. To enhance the competitiveness of Taiwan’s fastener industry, support R&D innovation, and address talent gaps in industrial development, the Company collaborates with Taiwan Steel University of Science and Technology in alignment with national education policies. The Company also provides irregular donations and sponsorships to the university<br>ii. The Company has long received strong support from the local community and, guided by its sustainable management philosophy, actively fulfills its corporate social responsibility by giving back to society. Through various public welfare initiatives, the Company strengthens employee engagement and participates in social care through practical actions.<br>The Company’s community engagement activities are diverse, including sponsoring air quality purification zones and participating in beach clean-up events, continuously contributing to environmental protection and community development while fostering positive interaction between the enterprise and society.<br>On November 30, 2025, the Company organized a beach clean-up activity combined with an employee family day. The event integrated environmental education with family interaction, offering both educational and recreational value across generations. It helped employees and their children develop awareness of environmental protection and demonstrated the Company’s commitment to leading by example, encouraging broader public participation in sustainability issues.</td></tr>
</table>

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<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td colspan="5">iii. On September 12, 2025, the Company organized a blood donation campaign, encouraging employee participation to support medical blood supply needs and fulfill its corporate social responsibility. This initiative not only demonstrated employees’ commitment to public welfare but also strengthened internal cohesion and continued to promote positive social impact in line with the Company’s sustainability philosophy.<br>iv. The Company actively invests in the development of the cultural and creative industries and supports the creation and promotion of domestic cultural content. In 2025, the Company invested NT$3 million to sponsor the “Royal Family Collaboration Project – New Taiwan Trend” initiated by Kuei Tien International Entertainment Co., Ltd. The project invited the internationally renowned dance crew Royal Family to explore Taiwanese culture, integrating indigenous culture, temple culture, Taiwanese opera, and Hakka culture into dance works that highlight Taiwan’s unique cultural identity.<br>(III) Other matters: Please refer to the Company’s Sustainability Report (https://www.chunyu.com.tw/report-download/)</td></tr>
</table>

Note1：Based on the assessed risks, relevant risk management policies have been established.

| Aspects | Risk Categories | Potential Risks | Control Strategies and Practices |
|---|---|---|---|
| Environment | Environmental Risks: | The Company’s manufacturing processes may generate air pollutants, waste, and process wastewater that are discharged into the environment. Such emissions and discharges may indirectly cause environmental damage and adverse impacts on human health, and may also expose the Company to risks of significant penalties imposed by competent authorities. | The Company upholds a green management philosophy and actively promotes environmental protection and the sustainable use of resources, while continuously strengthening its occupational safety and health management system to enhance employees’ environmental safety awareness and overall operational quality. The implementation status is as follows:<br>1.Wastewater Treatment: The Company has established comprehensive wastewater treatment facilities and |

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| | | | systems to ensure that wastewater is properly treated and discharged in compliance with regulatory standards, thereby effectively reducing environmental impact.<br>2.Exhaust Gas Treatment: The Company has installed systematic air pollution control equipment and obtained permits for stationary pollution sources in accordance with regulations. Low-emission fuels are adopted in manufacturing processes to reduce air pollutant emissions and environmental burden.<br>3.Waste Management: Dedicated temporary storage areas are established based on waste classification. Through a robust management system and complete disposal records, full-process control of waste is implemented. In addition, the Company actively promotes the circular economy by recycling and reusing recoverable resources such as waste acid, scrap iron, and waste paper, thereby improving resource efficiency and achieving sustainable development.<br>4.Occupational Safety and Health: Regular employee training programs are conducted to strengthen awareness of occupational safety and health risks, reduce operational hazards, and create a safe and healthy working environment, with the goal of achieving zero workplace accidents.<br>5.Product Development and Investment Evaluation: In product development and investment decision-making processes, the Company prioritizes occupational safety and environmental impact considerations, balancing business growth with corporate sustainability responsibilities. |

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| Corporate Governance | Supply Chain Management | Sustainability-Related Risks:<br>If suppliers fail to comply with relevant requirements in areas such as labor rights, occupational safety and health, environmental protection, business ethics, or human rights, they may be exposed to risks including fines, suspension of operations, or reputational damage, which could in turn affect their operational stability.<br>Such risks may also indirectly lead to disruptions in the Company's supply chain, damage to corporate reputation, and even impact the maintenance of customer relationships. | 1.The Company requires suppliers and contractors to comply with corporate social responsibility commitments by signing a "Social Responsibility Commitment Statement" and a "Supplier Integrity and Anti-Bribery Commitment Statement."<br>2.In addition, the Company conducts quarterly 8-hour training sessions to provide guidance and awareness for all suppliers, ensuring that no human rights violations or environmental pollution incidents occur. |
| | Management Risks | Information Risks:<br>Information risks refer to potential threats arising from human error, intentional acts, or natural disasters that may result in improper use, leakage, alteration, or destruction of data. Such incidents could expose the Company to various risks and adverse impacts, including operational disruption, financial loss, and reputational damage. | To ensure that the Company's confidential information is protected against malicious attacks, the following objectives and strategies have been established.<br>Objectives<br>・System Regulations: Establish an Information Security Management System to prevent unauthorized access.<br>・Technology Implementation: Deploy information security management equipment and infrastructure to strengthen cybersecurity controls.<br>・Personnel Training: Conduct information security training and drills to enhance employees' awareness of information security and strengthen their understanding of related responsibilities.<br>Strategic Measures<br>・Establish an Information Security Team with clearly defined roles and responsibilities.<br>・Conduct regular audits to ensure the effectiveness and proper implementation of internal control procedures. |

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| | | | • Establish an information security incident reporting mechanism to ensure proper handling and control of security incidents.<br>• Assess information system security requirements, establish information security management guidelines, and ensure compliance with relevant laws and regulations. |
| | Financial Risks | Market Risks:<br>As the Company operates internationally, it is exposed to foreign exchange risks arising from transactions denominated in different functional currencies. The main currencies involved include the Renminbi (RMB), US Dollar (USD), and Indonesian Rupiah (IDR).<br>In terms of price risk, the Company holds financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, which may be affected by market price fluctuations.<br>Regarding cash flow and fair value interest rate risk, the Company is primarily exposed to cash flow interest rate risk arising from certain borrowings issued at floating interest rates, which may lead to fluctuations in financial costs. | The Company regularly monitors market liquidity and establishes relevant management policies to address potential impacts arising from exchange rate fluctuations.<br>To manage price risk associated with equity instruments, the Company diversifies its investment portfolio, with diversification implemented in accordance with internally established limits.<br>The Company's borrowings are measured at amortized cost, and interest rates are repriced annually in accordance with contractual terms. |
| | | Credit Risks:<br>Credit risk refers to the risk of financial loss arising from customers or counterparties failing to fulfill their contractual obligations. The Company is primarily exposed to credit risk from accounts receivable when counterparties are unable to settle payments in accordance | The Company has established a credit risk management policy. For financial institutions, only those with a credit rating above a specified level from independent rating agencies are accepted as counterparties. In accordance with the Company's internal credit policies and the IFRS 9 approach, each new customer is subject to management |

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| | | with the agreed collection terms. | review and credit risk assessment prior to the establishment of payment terms and delivery conditions. |
| | | Liquidity Risk:<br>Liquidity risk refers to the risk that the Company may be unable to execute transactions within an appropriate timeframe due to insufficient market trading volume or the absence of willing counterparties, which may prevent the timely completion of buy or sell orders at expected prices. | The Finance Department consolidates and monitors liquidity demand forecasts to ensure sufficient funds are available to meet operational needs. The Company also maintains adequate committed borrowing facilities at all times to support working capital requirements. |

VIII. Climate-related information on TWSE/TPEx Listed Companies

1.The pursuit of climate-related information

| Item | Execution situation |
|---|---|
| 1.Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities. | The Company's highest authority for climate governance is the Board of Directors, which is responsible for promoting and determining the Company's strategic direction on climate-related issues, as well as overseeing the overall implementation of climate actions. The Board also plays a key role in approving the Company's climate commitments and targets. It periodically discusses emerging trends in climate risks and opportunities and formulates group-level strategies in response to key climate risks to ensure the Company's sustainable operations.<br>To strengthen the management and identification of climate-related risks and opportunities, the Company established the Sustainability Development Committee in 2022 as a functional committee under the Board of Directors. The Committee is composed entirely of independent directors and is supervised by the Board. A convener is elected from among the members, and meetings are held at least twice a year. The Committee reviews key climate-related risks and opportunities, sustainability strategies, and the implementation effectiveness of relevant projects, and reports the outcomes to the Board. |

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| | The responsibilities of the Sustainability Development Committee include assisting the Board in implementing approved climate risk management policies and objectives, regularly reviewing climate risk response plans and execution results submitted by the Sustainability Environmental Development Team, and overseeing the achievement of climate-related targets and actions across all subsidiaries and production sites. The Committee also facilitates communication and integration of the Group's overall climate governance status. |
| 2.Describe how identified climate-related risks and opportunities affect the Company's business, strategy, and financial planning (short-term, medium-term, and long-term) | The Company's material climate-related risks and opportunities for 2025 (114th year) in the short-, medium-, and long-term are as follows:<br>(1)Risks<br>1.Short-term Risks (within 3 years)<br>1-1 Increased pricing of greenhouse gas emissions will lead to higher operating costs.<br>Under Taiwan's Climate Change Response Act, carbon fees will be imposed on major domestic emitters with annual emissions exceeding 25,000 metric tons in the initial phase. As the Company falls within the regulated entities, together with other emerging regulations related to carbon pricing and carbon tariffs—such as the EU Carbon Border Adjustment Mechanism (CBAM) and the Clean Competition Act (CCA)—these measures may lead to an increase in operating costs.<br>1-2 Costs of Low-Carbon Technology Transition:<br>The transition to low-carbon technologies will lead to increased operating costs. In response to low-carbon development trends, the Company actively invests in the research and development of emerging technologies, thereby increasing costs.<br>1-3 Changes in Customer Behavior:<br>Changes in consumer (customer) behavior may lead to a decrease in operating revenue. As |

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| | awareness of climate change increases, customers’ product preferences may shift, and procurement policies may be adjusted to align with carbon reduction initiatives and trends.<br>2.Medium- and Long-Term Risks (3 to 10 Years)：<br>2-1 The heightened severity of extreme weather events, including typhoons and floods, is expected to increase operating costs<br>Extreme weather events (such as typhoons, floods, and heavy rainfall) may cause damage to plant equipment and disrupt operations. Interruptions in raw material supply may result in production stoppages, while road closures or suspension of maritime transport may prevent timely deliveries. Such climate-related disasters increase the risk of operational disruptions and may have a material adverse impact on the Company’s financial condition.<br>(2) Opportunities<br>1.Medium- and Long-Term Risks (3 to 10 Years)：<br>1-1 Enhancing the efficiency of production and distribution processes will contribute to lowering production costs<br>Developing production technologies with enhanced low-carbon efficiency can improve production efficiency and achieve more energy-saving manufacturing goals, thereby reducing production costs. It may also increase productivity, improve yield rates and on-time delivery performance, and stimulate customer demand. In turn, this can enhance both sales volume and product quality, leading to increased operating revenue.<br>1-2. Adopting low-carbon energy initiatives will increase operating revenue<br>Currently, the primary fuel used in the Company’s forging equipment (heat treatment furnaces) is natural gas and liquefied petroleum gas (LPG), which are lower-carbon alternatives compared to coal. The Company will continue to respond to market demand for low-carbon solutions, thereby |

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| | creating additional sales opportunities and increasing operating revenue.<br>1-3 Development or expansion of low-carbon products and services will increase operating revenue<br>In response to the growing environmental protection trend among customers, the Company has introduced low-carbon products and plans to obtain product carbon footprint certification in the future. By aligning with industry trends and regulatory requirements and responding to market demand, the Company aims to create further sales opportunities, thereby increasing operating revenue. |
| 3.Describe the financial impacts of extreme weather events and climate transition actions. | Extreme weather events (including typhoons, floods, and heavy rainfall) may result in damage to plant equipment and operational disruptions. Disruptions in raw material supply may lead to production halts, and road closures or suspension of maritime transport may delay deliveries. These climate-related hazards heighten the risk of business interruption and may have a material adverse effect on the Company's financial condition and operating results. |
| 4.Explain how the processes for identifying, assessing, and managing climate-related risks are incorporated into the Company's overall risk management framework. | To ensure that the Company effectively captures key climate-related risks and opportunities, the Sustainability Development Committee conducts annual reviews of peer sustainability reports and CDP climate questionnaires to identify relevant risk and opportunity issues. It also regularly convenes ESG working groups. The Environmental Sustainability Task Force collects annual data from various plants and departments regarding climate risk responses and conducts interviews with relevant units to assess the potential impact and likelihood of each climate-related issue. Based on this process, the Company identifies and consolidates its key annual climate risks and opportunities. The results are then reported to the Sustainability Development Committee for discussion and ultimately submitted to the Board of Directors for final review and the formulation of group strategies.<br>In identifying climate change risks and opportunities, relevant department heads take into account the |

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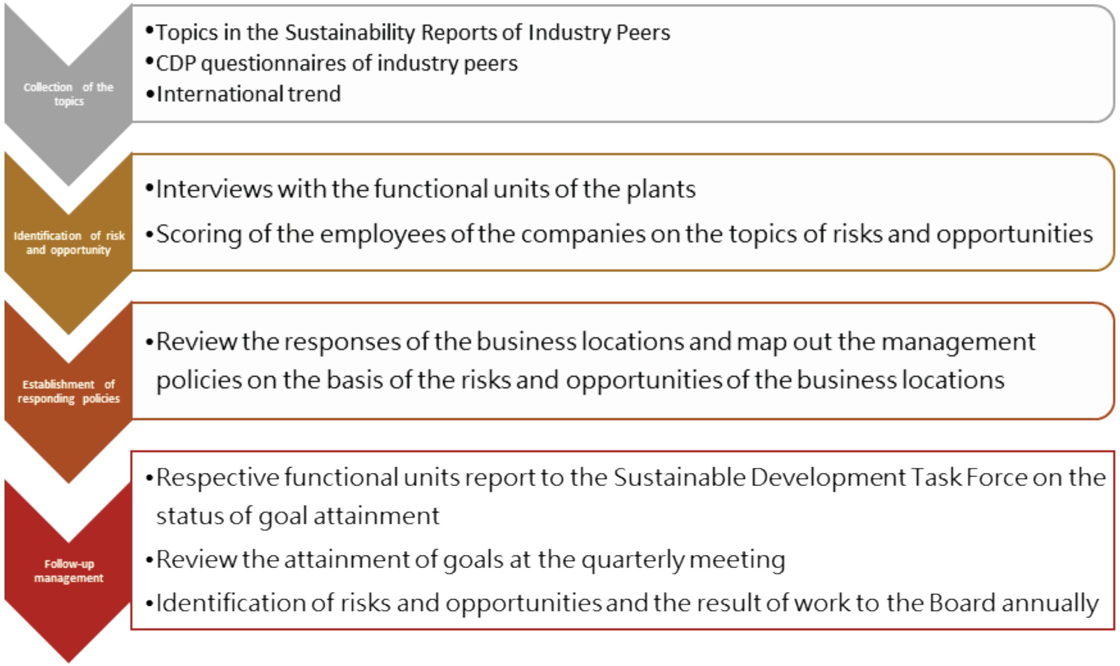
|---|---|
| | Company’s current operational conditions and available resources. For significant risk items, tailored, practical, and effective climate risk management strategies are developed. The Company has progressively implemented climate adaptation strategies and actions, including promoting low-carbon and energy-saving measures, conducting greenhouse gas inventories, and enhancing resource recycling, in order to reduce energy consumption across operations and products. Going forward, the Company also plans to assess the associated financial impacts to better manage and respond to the challenges posed by climate change.<br><br> <br>•Topics in the Sustainability Reports of Industry Peers<br>•CDP questionnaires of industry peers<br>•International trend<br> <br>•Interviews with the functional units of the plants<br>•Scoring of the employees of the companies on the topics of risks and opportunities<br> <br>•Review the responses of the business locations and map out the management policies on the basis of the risks and opportunities of the business locations<br> <br>•Respective functional units report to the Sustainable Development Task Force on the status of goal attainment<br>•Review the attainment of goals at the quarterly meeting<br>•Identification of risks and opportunities and the result of work to the Board annually |
| 5.Where scenario analysis is | None |

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| applied to evaluate resilience to climate change risks, the Company shall disclose the scenarios used, along with the underlying parameters, assumptions, analytical factors, and the key financial impacts. | |
| 6. Where the Company has established transition plans to address climate-related risks, it shall disclose the details of such plans, including the metrics and targets applied to identify and manage both physical and transition risks. | None |
| 7.If internal carbon pricing is used as a planning tool, the basis for determining the price should be disclosed. | None |
| 8. If climate-related targets have been established, the Company should disclose the scope of | None |

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|---|---|
| activities covered, the greenhouse gas emission scopes included, the implementation timeline, and the annual progress toward achieving such targets. Where carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, the source and quantity of emission reductions offset, or the number of RECs, should also be disclosed. | |
| 9.Greenhouse gas inventory and assurance status, as well as emission reduction targets, strategies, and specific action plans (to be further detailed in Sections 1-1 and 1-2). | The assurance status of the Company’s greenhouse gas emissions for 2025 is presented in the table below. |

### 1-1GHG inspection and assurance of the Company in the last 2 years

#### 1-1-1 Information on GHG inspection

Disclose the Company's greenhouse gas emissions for the most recent two years, including total emissions (in metric tons of $CO_2e$), emission intensity (metric tons of $CO_2e$ per NT$ million), and the scope of data coverage.

| GHG Protocol (Greenhouse Gas Protocol) Classification of Emissions | Classification in accordance with ISO 14064-1:2018 | Year 2025 tonnes of $CO_2$ equivalent ($tCO_2e$) | Year 2024 tonnes of $CO_2$ equivalent ($tCO_2e$) |
|---|---|---|---|
| Direct emissions (Scope 1) | The Company | 10,260.3615 | 13,911.3719 |
| | Subsidiary | Pending inventory | 2,672.0216 |
| Indirect emissions (Scope 2) | The Company | 21,376.3686 | 15,437.6736 |
| | Subsidiary | Pending inventory | 16,177.3076 |
| Other indirect emissions (Scope 3) | The Company | 303,212.2845 | 230,847.7218 |
| Carbon intensity at the entity level ($tCO_2e$/NT$ million) | | 89.57 | 63.49 |
| Carbon intensity on a consolidated basis ($tCO_2e$/NT$ million) | | Pending inventory | 5.26 |

| Detailed Indirect Greenhouse Gas Emissions (Categories 3–6, including subcategories) | Year 2025 tonnes of $CO_2$ equivalent ($tCO_2e$) | Year 2024 tonnes of $CO_2$ equivalent ($tCO_2e$) |
|---|---|---|
| Category 3: Transportation | 1,956.5809 | 3,105.68 |
| 3.1 Upstream transportation and distribution | 810.8540 | 571.7335 |
| 3.2 Downstream transportation and distribution | 915.2627 | 2,453.57 |

| | | |
|---|---|---|
| 3.3 Employee commuting | 214.8543 | 15.3241 |
| 3.4 Business travel | 15.6099 | 65.0526 |
| 3.5 Customer and visitor transportation | Not material | Not material |
| Category 4: Emissions from products used by the organization | 301.255.7036 | 227,742.04 |
| 4.1 Emissions from purchased goods | 300,945.5287 | 227,388.88 |
| 4.2 Emissions from capital goods | Not material | Not material |
| 4.3 Emissions from waste generated in operations (solid and liquid waste disposal) | 310.1749 | 353.1618 |
| 4.4 Emissions from use of assets | Not material | Not material |
| 4.5 Emissions from services not included in the above categories | Not material | Not material |
| Category 5: Indirect greenhouse gas emissions from the use of the organization’s products | Not yet inventoried | |
| 5.1 Emissions or removals during the use phase of products | | |
| 5.2 Emissions from downstream leased assets | | |
| 5.3 Emissions from end-of-life treatment of products | | |
| 5.4 Emissions from investments | | |
| Category 6: Other sources | | |
| Other | | |

Note：

i.The entity-level inventory follows ISO 14064-1 and covers Categories 1 to 4. The organizational boundary is defined using the operational control approach, with 2021 as the base year.

ii.The consolidated inventory follows ISO 14064-1 and covers Categories 1 to 2. The organizational boundary is defined using the operational control approach, with 2024 as the base year.

iii.Category 1 refers to direct emissions from sources owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources from transportation, and fugitive emissions. Emission factors are calculated based on the Environmental Protection Administration’s Greenhouse Gas Emission Factor Management Table Version 6.0.4 (IPCC Sixth Assessment Report).

iv.Category 2 refers to indirect emissions from purchased energy, such as purchased electricity.

v.Category 3 refers to indirect greenhouse gas emissions from transportation.

vi.Category 4 refers to indirect greenhouse gas emissions from the use of products.

vii.Greenhouse gas types include carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs), and sulfur hexafluoride ($SF_6$).

viii.For 2024–2025 entity-level inventory, the organizational boundary includes Chun Yu Works headquarters, Gangshan Plant, and Jiaxing Plant.

ix.The 2024 consolidated inventory boundary is consistent with the consolidated financial statements.

x.The 2025 data are internal inventory figures not yet externally verified. The final verified data will be disclosed in the sustainability report. The subsidiaries are expected to complete third-party verification for the Group’s 2026 (FY2025) inventory in 2027.

1-1-2 Information on GHG assurance

Describe the assurance status for the most recent two years up to the date of publication of the annual report, including the assurance scope, assurance provider, assurance standards, and assurance opinion.

| Item | Year 2024 | Year 2025 |
|---|---|---|
| Verification status | ●**TAF & ARES Scheme:** The assurance levels for greenhouse gas emission sources in each category are planned and implemented in accordance with the GHG assurance scheme and the level of assurance required by intended users. In this project, Categories 1 and 2 are planned under a reasonable assurance level, while Categories 3 to 6 are planned under a limited assurance level. However, the final assurance level is determined based on the verification results and supporting evidence collected during the process.<br>●Materiality threshold for verification: 5%.<br>●All significant greenhouse gas emission sources are subject to on-site sampling of first-tier data for emission calculations (the total sampling records for significant emission sources shall cover 100% of emissions).<br>●Other emission sources are subject to sampling of primary data (the total sampling records shall cover 80% of emissions for each emission source).<br>●The total verified emissions shall be sufficient to demonstrate that the results are free from material misstatement (confidence level greater than 95%).<br>●Third-party verification is accredited by TAF (Taiwan Accreditation Foundation).. | ●The verification process is currently underway and is expected to be completed in May.<br>●The verification arrangements are conducted in accordance with those of the previous year. |

| | | |
|---|---|---|
| Scope of Verification | ARES confirms that Chun Yu Works & Co., Ltd. has implemented its greenhouse gas inventory in accordance with ISO 14064-1:2018 “Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.” The verification covers the organizational boundary and operational activities within the defined scope, and assesses compliance with relevant standard requirements for anthropogenic greenhouse gas emissions. Based on ISO 14064-3:2019, the following assurance statement applies:<br>(1)Verification period: January 1, 2024 to December 31, 2024.<br>(2)Verification sites:<br>•Gangshan Plant: No. 169, Xinle St., Gangshan Dist., Kaohsiung City<br>•Jiaxing Plant: No. 279, Jiahua Rd., Jiaheng Li, Gangshan Dist., Kaohsiung City<br>•Chun Yu Works Headquarters: No. 100, Dabao St., Gangshan Dist., Kaohsiung City 82063<br>•Gangshan Plant I: No. 77, Dabao St., Gangshan Dist., Kaohsiung City 82063 | ARES confirms that Chun Yu Works & Co., Ltd. has implemented its greenhouse gas inventory in accordance with ISO 14064-1:2018 “Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.” The verification covers the organizational boundary and operational activities within the defined scope, and assesses compliance with relevant standard requirements for anthropogenic greenhouse gas emissions. Based on ISO 14064-3:2019, the following assurance statement applies:<br>(1)Verification period: January 1, 2025 to December 31, 2025.<br>(2)Verification sites:<br>•Gangshan Plant: No. 169, Xinle St., Gangshan Dist., Kaohsiung City<br>•Jiaxing Plant: No. 279, Jiahua Rd., Jiaheng Li, Gangshan Dist., Kaohsiung City<br>•Chun Yu Works Headquarters: No. 100, Dabao St., Gangshan Dist., Kaohsiung City 82063<br>•Gangshan Plant I: No. 77, Dabao St., Gangshan Dist., Kaohsiung City 82063 |

| | | |
|---|---|---|
| | •Gangshan Plant II: No. 100-1, Dabao St., Gangshan Dist., Kaohsiung City 82063<br>•Gangshan Plant III: No. 100-2, Dabao St., Gangshan Dist., Kaohsiung City 82063<br>•Gangshan Plant V: No. 191, Xinle St., Gangshan Dist., Kaohsiung City 82066<br>•Jiaxing Plant: No. 279, Jiahua Rd., Jiaheng Li, Gangshan Dist., Kaohsiung City 82056 | •Gangshan Plant II: No. 100-1, Dabao St., Gangshan Dist., Kaohsiung City 82063<br>•Gangshan Plant III: No. 100-2, Dabao St., Gangshan Dist., Kaohsiung City 82063<br>•Gangshan Plant V: No. 191, Xinle St., Gangshan Dist., Kaohsiung City 82066<br>•Jiaxing Plant: No. 279, Jiahua Rd., Jiaheng Li, Gangshan Dist., Kaohsiung City 82056<br>•Qiaotou Plant: No. 299, Yulin Rd., Xilin Li, Qiaotou Dist., Kaohsiung City 82544<br>•Ziguan Plant: No. 181, Siwei Rd., Zixin Li, Ziguan Dist., Kaohsiung City 82649 |
| Assurance provider | ARES International Certification Co., Ltd. | ARES International Certification Co., Ltd. |
| Verification standards | ●ISO 14064-1:2018<br>●Climate Change Response Act, Regulations Governing GHG Emissions Inventory and Registration, and related GHG inventory guidance documents and regulations.<br>●Verification procedures follow:<br>EPA Scheme: ISO 14066:2011, ISO 14065:2013, ISO 14064-3:2006<br>TAF & ARES Scheme: ISO/IEC 17029:2019, ISO | ●ISO 14064-1:2018<br>●Climate Change Response Act, Regulations Governing the Inspection and Registration of GHG, GHG Emission Volume Inspection Guide<br>●Verification procedures follow:<br>EPA Scheme: ISO 14066:2011, ISO 14065:2013, ISO 14064-3:2006<br>TAF & ARES Scheme: ISO/IEC 17029:2019, ISO |

| | | |
|---|---|---|
| | 14065:2020, ISO 14064-3:2019<br>Greenhouse Gas Emissions Inventory Guidance (March 7, 2024), Greenhouse Gas Verification Guidance (June 2024), Regulations Governing GHG Emissions Inventory Registration and Verification (September 14, 2023), Regulations Governing Accreditation of GHG Verification Bodies (October 5, 2023), and other relevant greenhouse gas control regulations issued by the Ministry of Environment. Matters not otherwise specified shall be governed by the relevant regulations of the Ministry of Environment and accreditation bodies. | 14065:2020, ISO 14064-3:2019 |
| Verification Opinion | ARES conducted an independent, impartial, and objective third-party verification of the disclosed greenhouse gas information and relevant on-site supporting evidence to ensure that the report complies with the principles of accuracy, completeness, consistency, and transparency. The materiality threshold for determining material discrepancies is set at 5%. The verification process includes document review, pre-assessment, sampling planning, and evidence collection to obtain sufficient and appropriate information for forming the verification opinion, thereby ensuring the accuracy of greenhouse gas | Under review; no assurance opinion has been issued yet. |

| | | |
|---|---|---|
| | emission data.<br>ARES issued a modified verification opinion. | |

Note 1:In accordance with the timetable prescribed under Article 10, Paragraph 2 of these Guidelines, if the Company has not obtained a complete greenhouse gas assurance opinion by the publication date of the annual report, it shall disclose that “complete assurance information will be disclosed in the sustainability report.” If no sustainability report is prepared, it shall disclose that “complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete assurance information in the following year’s annual report.

Note 2:The assurance provider shall comply with the relevant requirements for sustainability report assurance bodies prescribed by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

Note 3:The disclosure content may refer to the best practice examples provided on the Corporate Governance Center website of the Taiwan Stock Exchange.

1-2Greenhouse Gas Reduction Targets, Strategies, and Implementation Plans

| Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, and specific action plans, as well as the progress toward achieving the reduction targets. |
|---|
| 1. The Company has set 2021 as the base year for Scope 1 and Scope 2 (Categories 1 and 2), with a base year emissions level of 451,927.442 metric tons of $CO_2e$.<br>2. The Company's emission reduction targets are divided into short-term, medium-term, and long-term goals. The reduction targets and strategies are as follows:<br>(1) Short-term (1~3 years):<br>By 2025, achieve a 6% reduction in carbon emissions compared to the base year, and a 16% reduction in carbon intensity compared to the base year.<br>(2) Mid-term (3~5 years):<br>By 2030, achieve a 12% reduction in carbon emissions compared to the base year, and a 30% reduction in carbon intensity compared to the base year.<br>(3) Long-term (over 5 years):<br>By 2035, achieve a 21% reduction in carbon emissions compared to the base year, and a 44% reduction in carbon intensity compared to the base year.<br>3. The strategy and concrete action plans for GHG emission reduction.<br>(1)Evaluate existing aging equipment in the plants and replace or upgrade energy-intensive equipment. In the current year, four air compressors in the tapping workshop have been replaced to gradually improve the energy efficiency of plant equipment.<br>(2)Establish a new heat treatment line, switching fuel usage to electricity to achieve lower-carbon operations.<br>(3)Install rooftop solar photovoltaic systems in factory facilities to increase on-site renewable energy generation and self-consumption, thereby reducing indirect emissions from purchased electricity.<br>(4)Adjust production management to avoid peak electricity consumption periods.<br>(5)Install smart meters for high-power and energy-intensive equipment to implement energy monitoring and control, and evaluate production performance. The Company also plans to implement the ISO 50001 Energy Management System to enhance energy efficiency management.<br>(6)Improve machine operating efficiency to reduce reliance on purchased electricity, and evaluate future use of renewable energy.<br>(7)Increase the recycling rate of in-house waste materials (such as spent hydrochloric acid, scrap iron, and waste oil), and assess |

the feasibility of circular economy initiatives and waste resource recovery, thereby achieving low-carbon benefits and reducing production costs.

4.Attainment of the goals of GHG emission reduction

Since 2021, the Company has conducted greenhouse gas inventories in accordance with ISO 14064-1:2018, covering Categories 1 to 4 for the Gangshan Plant and Jiaxing Plant, and has obtained verification statements. The 2024 greenhouse gas inventory (Categories 1 to 4) resulted in total emissions of 260,196.767 metric tons of $CO_2e$. In 2024 (Republic of China Year 113), compared to the base year (2021), carbon emissions were reduced by 27% for Scope 1 and 2 (Categories 1 and 2), and carbon intensity decreased by 56% compared to the base year.

The Company has registered its inventory reports and verification statements for 2022 to 2024 on the enterprise greenhouse gas emissions information platform. The total annual greenhouse gas emissions from direct emissions from fossil fuel combustion and indirect emissions from electricity usage across all plants were below 25,000 metric tons of $CO_2e$. The Company has applied to the Ministry of Environment for deregistration from regulatory control and is therefore not classified as an enterprise required to conduct mandatory greenhouse gas inventory registration and verification under the Ministry’s announcement.

Note 1: Implementation shall follow the schedule prescribed under Article 10, Paragraph 2 of these Guidelines.

Note 2: The base year shall be the year in which greenhouse gas inventory for the consolidated financial reporting boundary is completed. For example, under the timetable specified in Article 10, Paragraph 2, companies with capital of NT$10 billion or more shall complete the inventory for the consolidated financial statements of 2024 in 2025; therefore, the base year would be 2024. If a company has completed the consolidated inventory in an earlier year, such earlier year may be used as the base year. The base year data may be calculated based on a single year or an average of multiple years.

## (VII) Fulfillment of Ethical Corporate Management Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies：

| Item of implementation | Status of implementation | | | Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | bstract Explanation | |
| I.Setting business Ethical Corporate Management policies and programs<br>(I) Does the Company develop business integrity policies to be passed by the Board, and express its commitment to the policies and practices of Ethical Corporate Management in its regulations and in the external documents, and do the Board of Directors and the management actively implement the business policies？ | ✓ | | (I) The Company’s Board of Directors has approved and adopted the “Integrity Management Policy,” “Procedures for Integrity Management and Guidelines for Conduct,” and the “Code of Ethical Conduct,” which clearly set forth the standards to be followed by the Board, management, and employees in the performance of their duties. In addition, all members of the Board and management have signed integrity declarations to demonstrate their commitment to ethical conduct. The relevant policies and information have been disclosed on the Company’s website. | There are no material differences compared to the provisions of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies.” |
| (II) Has 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 adopted precautionary measures in respect of business activities with a high risk of dishonesty | ✓ | | (II) The Company has established a risk assessment mechanism for dishonest conduct, under which it regularly identifies, analyzes, and evaluates potential risks in its business activities. Appropriate preventive measures are formulated for high-risk areas, covering the types of conduct specified in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.” | |

| Item of implementation | Status of implementation | | | Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | bstract Explanation | |
| and at least include preventive measure in Article 7 (2) of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies？ | | | In addition, the Company integrates its internal control system with audit functions to implement ex-ante prevention, in-process control, and ex-post review. Through education and training, awareness programs, and performance evaluation mechanisms, the Company further strengthens employees' integrity awareness.<br>A reporting and whistleblowing mechanism, along with protection measures, has also been established to ensure the independence and confidentiality of the handling process, thereby continuously enhancing the effectiveness of ethical corporate management. | |
| (III) Has the Company established action plans to prevent unethical conduct？Has the Company clearly prescribed procedures, code of conduct, punitive measures for violations and appeal systems within the said plan？Did the action plans be implemented accordingly？ | ✓ | | (III) The Company has clearly stipulated relevant operating procedures, codes of conduct, disciplinary measures for violations, and grievance mechanisms in its "Integrity Management Guidelines" and "Code of Ethical Conduct." These are effectively implemented, and are reviewed and revised in accordance with regulatory amendments and audit results. | |

| Item of implementation | Status of implementation | | | Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | bstract Explanation | |
| II.Implementation of Ethical Corporate Management<br>(I) Does the Company assess the integrity record of its business partner, and stipulate the terms of conduct on integrity in the contract with the business partner？ | ✓ | | (I)The Company evaluates the integrity records of its suppliers and customers and requires the signing of relevant documents. Contracts with business counterparties also explicitly stipulate compliance with applicable integrity clauses. | There are no material differences compared to the provisions of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies.” |
| (II) Has the Company designated an exclusively (or concurrently) dedicated unit reports its ethical business management policy, action plans to prevent unethical conduct, and implementation status of supervisory measures to the Board of Directors？ | ✓ | | (II)The Company’s Sustainability Development Committee, under the Board of Directors, is responsible for overseeing the implementation of integrity management. The Corporate Governance Officer and the Finance Department are tasked with enhancing and executing related integrity management operations. Relevant policies, programs, and their implementation status are reported to the Board of Directors at least once annually. The Company presented the 2025 Integrity Management Implementation Report to the Board on November 6, 2025, to facilitate the Board’s oversight.<br>2025 Integrity Management Implementation Report:<br>i.Establishment of a Whistleblowing System:<br>The Company has established the “Fraud Reporting Procedures” and reporting channels to prevent fraud, corruption, and other improper conduct. Individuals | |

| Item of implementation | Status of implementation | | | Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | bstract Explanation | |
| (III) Has the Company established policies preventing conflict of interests, provided proper channels of appeal, and enforced these policies and channels accordingly？ | ✓ | | who are reported are also given the opportunity to present their statements or file appeals.<br>ii.Stakeholder Communication Mechanism:<br>To ensure the effective operation of preventive measures for integrity management, the Company has set up a stakeholder section on its website, providing communication channels for employees, shareholders, and other stakeholders to report illegal or unethical conduct.<br>iii.Implementation Results:<br>In 2025, no violations of integrity management were identified. The Company did not receive any internal or external whistleblowing reports or legal cases related to integrity management.<br>(III) • With respect to conflicts of interest, employees may report directly to their immediate supervisors or submit reports to the Human Resources Department.<br>• Directors, managers, and other attendees or participants of the Board meeting who have an interest in any agenda item—whether due to their own interests or those of the legal entity they represent—shall disclose the material details of | |

| Item of implementation | Status of implementation | | | Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | bstract Explanation | |
| | | | such interest at the relevant Board meeting. Where such interest may be detrimental to the Company's interests, they shall not participate in discussion or voting, shall recuse themselves, and may not exercise voting rights on behalf of other directors. | |
| (IV) Has the Company established effective accounting systems and internal control systems for enforcing ethical corporate management？Did internal auditors establish relevant audit plan to verify the status of compliance with unethical conduct prevention action plans based on the result of risk assessment on unethical conduct？Did the Company entrust audits to a CPA？ | ✓ | | (IV)The Company has established a viable accounting system and internal control mechanism, and proceed with management of nonconformity through operation procedure. In addition, the internal audit function will map out the annual audit plan on the basis if risk assessment and conduct related audits. The audit findings will be gathered and reported to the Board. | |
| (V) Does the Company regularly organize internal and external training for ethical corporate management？ | ✓ | | (V)The Company conducts annual awareness programs for insiders on the prevention of insider trading and integrity management. On August 7, 2025, a total of nine participants, including current directors, independent directors, and managers, attended such training. The presentation materials were subsequently uploaded to the internal employee system for reference by all employees.<br>The Company also provides training on relevant work | |

| Item of implementation | Status of implementation | | | Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | bstract Explanation | |
| | | | rules to all new employees and requires them to sign confidentiality agreements. In addition, comprehensive whistleblowing, grievance, and disciplinary systems have been established and effectively implemented. | |
| III.Status for enforcing whistle-blowing systems in the Company | | | | |
| (I)Has the Company established concrete whistle-blowing and reward systems as well as accessible whistleblowing channels？Does the Company assign a suitable and dedicated individual for the case being exposed by the whistle- blower？ | ✓ | | (I)The Company has established the “Fraud Reporting Procedures” and implemented multiple reporting channels, clearly defining prohibited conduct, complaint mechanisms, and related protection measures to strengthen integrity management and internal controls.<br>All reported cases are centrally handled and investigated by the Internal Audit Office, and the investigation results are submitted to the Board of Directors to ensure the fairness and transparency of the handling process | There are no material differences compared to the provisions of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies.” |
| (II)Has the Company established standard operating procedures (SOP) for whistleblowing cases, follow-up measures and relevant systems of confidentiality after the investigation？ | ✓ | | (II)The Company has established the “Fraud Reporting Procedures,” which clearly set forth reporting channels, handling procedures, and confidentiality mechanisms. All whistleblowers, personnel involved in investigations, and related report contents are handled with due care and kept confidential in accordance with the Procedures, in order to protect the rights and | |

| Item of implementation | Status of implementation | | | Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons |
|---|---|---|---|---|
| | Yes | No | bstract Explanation | |
| (III)Has the Company adopted protection measures against inappropriate disciplinary actions for the whistle-blower？ | ✓ | | interests of the relevant parties and to ensure the effective operation of the whistleblowing system.<br>(III)Article 10 of the Company's "Fraud Reporting Procedures" explicitly sets forth a whistleblower protection mechanism. The Company provides appropriate protection for whistleblowers, personnel involved in investigations, and related reporting content. Any form of unfair treatment or retaliatory action against individuals who make good-faith reports or assist in investigations is strictly prohibited, in order to safeguard their rights and interests and to maintain the fairness and effectiveness of the whistleblowing system. | |
| IV.Improvement of information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS？ | ✓ | | The Company will continue to enhance the disclosure of relevant information and has designated dedicated personnel to be responsible for the disclosure of information on the Company's website | There are no material differences compared to the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies." |

<table>
<tr><th rowspan="2">Item of implementation</th><th colspan="3">Status of implementation</th><th rowspan="2">Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>bstract Explanation</th></tr>
<tr><td colspan="5">V.Where the Company has established its own Ethical Corporate Management Code in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies,” please specify any differences between its implementation and the established code: there are no material differences.<br>VI.Other important information that may help to understand the Company’s implementation of ethical corporate management (e.g., any review or amendment of its Ethical Corporate Management Code or related policies):<br>The Company complies with the Company Act, the Securities and Exchange Act, the regulations governing listed companies, and other relevant laws and regulations, and continuously monitors regulatory developments to timely adjust its ethical corporate management policies.</td></tr>
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(VIII)Other important information to enhance the understanding of the corporate governance of the Company：

- i. The Company continues to strengthen its corporate governance practices. Dedicated “Corporate Governance” and “Sustainability” sections have been established on the Company’s official website (https://www.chunyu.com.tw) to present the status of its corporate governance operations and the effectiveness of its initiatives.
- ii. Directors' training status：For more details, please visit MOPS.
- iii. Procedures for Handling Material Inside Information and Prevention of Insider Trading：
  1. The Company, with reference to the “Procedures for Handling Material Inside Information” issued by the Taiwan Stock Exchange Corporation, has established the “Procedures for Handling Material Inside Information and Preventing Insider Trading.” These procedures stipulate that the Company shall conduct relevant education and awareness programs at least once a year for incumbent directors, managerial officers, and employees. For newly appointed directors and managerial officers, training shall be provided within three months of assuming office, while new employees shall receive the training as part of their pre-employment orientation conducted by the Human Resources Department.
  2. On August 7, 2025, the Company conducted an insider trading prevention training session, providing approximately three hours of instruction to a total of 9 participants, including current directors and managerial officers. The training covered relevant regulations on insider trading, underlying causes, and preventive measures.

     The Company also continues to reinforce reminders during its annual awareness programs that directors are prohibited from trading the Company’s shares during the closed periods, namely the 30 days prior to the announcement of the annual financial report and the 15 days prior to the announcement of each quarterly financial report.

     Furthermore, during the August 7, 2025 training session, the Company reiterated the relevant provisions of the Corporate Governance Best Practice Principles: to safeguard shareholders’ rights and ensure equitable treatment, the Company has established internal management mechanisms prohibiting insiders from trading securities based on non-public material information. This includes, but is not limited to, the restriction on directors trading the Company’s shares during the aforementioned closed periods.

## (IX)Implementation of the internal control system

### i. Internal Control System Statement：

### CHUN YU WORKS AND CO., LTD

### Internal Control System Statement

Date：2026.03.05

With respect to the results of the 2025 self-assessment of the internal control system, we hereby declare as follows：

i. We acknowledge and understand that it is the responsibility of our Board of Directors and officers to establish, implement and maintain an internal control system and we have already established such a system. The purpose is to fairly ensure the effect and efficiency of operations (including profitability, performance and security of assets); the reliability, timeliness and transparency of financial reporting; and the achievement of legal compliance.

ii. There is a limitation inherent to each internal control system, however perfect the design is. As such, an effective internal control system can only fairly ensure the achievement of the aforementioned goals. Furthermore, the effectiveness of an internal control system may vary as the macro environment and situation change. By equipping our internal control system with a selfmonitoring mechanism, we can take immediate corrective actions against any defects once identified.

iii. Referring to the criteria for determining the effectiveness of an internal control system as specified in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the “Criteria”), we judge the effectiveness of design and implementation of our internal audit system. With respect to the management control process, the Criteria divide an internal control system into five elements：a) control environment, b) risk evaluation, c) control operation, d) information and communication and e) monitoring. Each element in turn contains certain audit items, and the Criteria shall be referred to for details.

iv. We have assessed the effectiveness of design and implementation of our internal control system with such criteria.

v. With respect to the findings from the above assessment, we hold that the design and implementation of our internal control system(including the supervision and management of subsidiaries) as of 2025.12.31, were effective to achieve the above goals in terms of the effect and efficiency of operations; the reliability, timeliness, and transparency of financial reporting; and the achievement of legal compliance.

vi. This statement shall form an integral part of the Annual Report and the prospectus of this Company and will be disclosed to the public. If there is any fraud, concealment or unlawful practice found in the above contents, we shall be liable for the legal consequences under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

vii. This Statement has been approved by the Company's Board of Directors on March 5, 2026. Of the seven directors in attendance, one abstained, and the remaining directors all approved the contents of this Statement. This is hereby declared.

CHUN YU WORKS AND CO., LTD.

Chairman：Chen, Chi-Tai

General Manager：Wu, Ju-Yan

ii. If a CPA has been commissioned to conduct special audit of the internal control system, disclose the Auditor's Report：None.

(XI) The punishment to the Company and its employees in accordance with the law, the Company's punishment to its employees for violation of the provisions of its internal control system, the major defects and the improvements made in the latest year and as of the date of publication of the annual report：None.

(XII) Important resolutions of the shareholders' meeting and the board meetings in the latest year and as of the date of publication of the annual report：

i. Key Resolutions of the 2025 Annual General Meeting of Shareholders and Their Implementation Status.

| Date | Resolutions | Implementation Satus |
|---|---|---|
| 2025.05.26 | Approval of the Company's 2024 Business Report and Financial Statements | This proposal was approved as presented. |
| | Approval of the Company's 2024 Earnings Distribution Proposal | Distribution was completed on September 26, 2025.<br>(Cash dividend of NT$1 per share) |
| | Proposal to Amend Certain Provisions of the Company's Articles of Incorporation | This proposal was approved as presented. |
| | Proposal for the Re-election of the Company's Directors | 1.The term of office for the Company's directors expired on June 21, 2025, and a full re-election was conducted at this year's Annual General Meeting of Shareholders.<br>2.In accordance with the |

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|---|---|---|
| | | Company's Articles of Incorporation and the relevant provisions of the Company Act, seven directors (including three independent directors) were to be elected. The newly elected directors assumed office immediately upon election, with a term from May 26, 2025, to May 25, 2028, for a three-year term, and are eligible for re-election<br>3.Pursuant to the Company's Articles of Incorporation, the election of directors (including independent directors) follows a candidate nomination system, with shareholders selecting directors from the nominated candidate list.<br>4.The list of elected directors has been disclosed in accordance with regulations on the Market Observation Post System (MOPS) and the Company's official website. |

## ii. Key Resolutions of the Board of Directors.

| Date | Resolutions | Implementation Satus |
|---|---|---|
| 2025.01.02 | Proposal on the Company's Endorsement and Guarantee Limit for Subsidiaries | Executed in accordance with the resolutions. |
| 2025.03.06 | Proposal for the Distribution of Directors' and Employees' Remuneration for the Company's 2024 Fiscal Year | Submission of the 2025 Annual General Meeting Report. |
| | Proposal on the Company's 2024 Consolidated Financial Statements, Individual Financial Statements, and Business Report | Submission for Approval at the 2025 Annual General Meeting of Shareholders. |
| | Proposal for the Distribution of the Company's 2024 Second-Half Earnings | Distribution was completed on September 26, 2025.<br>(Cash dividend of 1 per share) |
| | Proposal for the Appointment of the Company's Chief Auditor | Reported in accordance with the regulations. |
| | Proposal on the Effectiveness Assessment of the Company's Internal Control System and the "Internal Control System Statement" for the 2024 Fiscal Year | Reported in accordance with the regulations. |
| | Proposal to Amend Certain Provisions of the Company's Articles of Incorporation | Submission for Discussion at the 2025 Annual General Meeting of Shareholders. |
| | Proposal for the Re-election of the Company's Directors | Submission for Discussion at the 2025 Annual General Meeting of Shareholders. |

| Date | Resolutions | Implementation Satus |
|---|---|---|
| 2025.04.10 | Proposal to Lift the Non-Compete Restrictions for the Company's Director Candidates Elected as Directors (Independent Directors) at the 2025 Annual General Meeting in Accordance with Article 209 of the Company Act | Submission for Discussion at the 2025 Annual General Meeting of Shareholders. |
| 2025.05.08 | Proposal on the Company's Consolidated Financial Statements for the First Quarter of 2025 | Announcement and filing have been completed in accordance with the regulations. |
| 2025.08.07 | Proposal on the Company's Consolidated Financial Statements for the Second Quarter of 2025 | Announcement and filing have been completed in accordance with the regulations. |
| | Proposal for the Appointment of Members of the Company's 7th Remuneration Committee | Announcement and filing have been completed in accordance with the regulations. |
| | Proposal for the Appointment of Members of the Company's 2nd Sustainability Committee | Announcement and filing have been completed in accordance with the regulations. |
| 2025.11.06 | Proposal on the Company's Consolidated Financial Statements for the Third Quarter of 2025 | Announcement and filing have been completed in accordance with the regulations. |
| | Proposal for the Non-Distribution of the Company's Earnings for the First Half of 2025 | Announcement and filing have been completed in accordance with the regulations. |
| 2026.03.05 | Proposal for the Distribution of Directors' and Employees' Remuneration for the Company's 2025 Fiscal Year | Submission of the 2025 Annual General Meeting Report. |
| | Proposal on the Company's 2024 Consolidated Financial Statements, Individual Financial Statements, and Business Report | Submission for Approval at the 2025 Annual General Meeting of Shareholders. |
| | Proposal for the Distribution of the Company's 2025 Second-Half Earnings | Distribution has not yet been made.<br>(Cash dividend of NT$0.3 per share) |
| | Proposal on the Effectiveness Assessment of the Company's Internal Control System and the "Internal Control System Statement" for the 2024 Fiscal Year | Reported in accordance with the regulations. |

(XIII) If the directors or supervisors have different opinions about important resolutions adopted by the board in the latest year and as of the date of publication of the annual report, and there are records or written statements：None.

## V. Information on CPA Fees

(I) The amounts of audit and non-audit fees charged by the certified public accountant, their affiliated firms, and related entities, as well as the details of the non-audit services provided：

Unit: NT$ thousand

| Accounting firm | CPA name | Audit period | Audit fee | Non-audit fee (Note) | Total | Remarks |
|---|---|---|---|---|---|---|
| Pricewaterhouse Coopers | Tien, Chung-Yu<br>Hsu, Huei-Yu | 2025.01.01 to 2025.12.31 | 4,585 | 2,214 | 6,799 | |

Note：Tax certification: NT$545,000; Transfer pricing report: NT$270,000; Sustainability report consulting service fees: NT$200,000; Sustainability report assurance service fees: NT$200,000; Financial statement translation: NT$180,000; CFC tax filing: NT$150,000; Corporate bond advisory: NT$120,000; Annual report review: NT$27,000; VAT dual-status taxpayer certification: NT$27,000; Employee payroll tax filing and audit: NT$27,000; ARE substantive investment tax credit: NT$9,000; Others: NT$459,000.

(II) If there is a change of the accounting firm, and in the year of the change the audit fee is lower than that in the previous year, please disclose the audit fees before and after the change and the reasons：None.

(III) If the audit fee is reduced by more than 10% over that in the previous year, please disclose the amount of audit fee reduced, the proportion and reason for the reduction：None.

## VI. Replacement of Certified Public Accountan：

(I)Regarding the former CPA：None.

(II)Regarding the successor CPA：None.

(III)Reply of former CPA to item 6-1 and item 6-2-3, article 10 of the criteria：None.

## VII. The Employment of the Company’s Chairman, General Manager, Financial or Accounting Manager with the Firm of the Auditing CPA or Its Affiliated Businesses in the Past Year：None.

## VIII. Changes in Shareholding Transfers and Share Pledge Status of Directors, Managers, and Major Shareholders Holding More than 10% of the Company’s Shares during the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report：

(I)Changes in Shareholdings of Directors, Supervisors, Managers, and Major Shareholders

It has been announced on the Market Observation Post System (MOPS). The reference path and website link are as follows:

A.Share Transfer:

(a)Reference Path: Market Observation Post System (MOPS) > Individual Company> Shareholding Changes / Securities Issuance > Inquiry of Share Transfer Data > Insider Shareholding Change Post-Reporting Form.

(b)Website Link: hppts://mops.twse.com.tw/mops/#/web/query6_1

B.Changes in Share Pledge Status:

(a)Reference Path: Market Observation Post System (MOPS) > Individual Company > Shareholding Changes / Securities Issuance > Insider Pledge and Release of Pledge > Insider Pledge and Release Announcement.

(b)Website Link：

hppts://mops.twse.com.tw/mops/#/web/STAMAK03_1

(II)For share transfers by directors, supervisors, managers, and shareholders holding more than 10% of shares where the counterparty is a related party: None.

(III)For share pledges by directors, supervisors, managers, and shareholders holding more than 10% of shares where the counterparty is a related party: None.

## IX. Information on the Relationship of the 10 Largest Shareholders Any One Is a Related Party：

2026.03.30

| Name | Own shareholding | | Shareholdings of the spouse and minor children | | Shareholding in other people's names | | Company name/name and relationship of related parties, spouse, or relatives in the second degree to top ten shareholders | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | Shareholding | Rate | Shareholding | Rate | Shareholding | Rate | Name | Relationship | |
| Representative of Bai Jia Yuan Investment Co., Ltd.：<br>Chen, Chi-Tai | 84,219,450 | 27.87% | - | - | - | - | Nil | Nil | |
| Representative of Chin Chi Fu Asset Management Co., Ltd：<br>Wang, Chiung-Fen | 28,491,850 | 9.43% | - | - | - | - | Nil | Nil | |
| Representative of Chun Yu Investment Co., Ltd.：<br>Wong, Chung-Chun | 23,430,172 | 7.75% | - | - | - | - | Nil | Nil | |
| Representative of Yi Tai Shen Co., Ltd.：<br>Wang, Chang-Ping | 14,790,300 | 4.89% | - | - | - | - | Chang, Ching-Chi | Director | |
| | | | | | | | Chen, Cong-Xin | Supervisor | |
| Sheng Shang Investment Co., Ltd.:<br>Huang, Li-Rong | 12,737,500 | 4.22% | | | | | Nil | Nil | |
| Chang, Ching-Chi | 7,607,100 | 2.52% | - | - | - | - | Yi Tai Shen Co., Ltd | Director | |
| | | | | | | | Chang, Yu-Chi | Relatives in the second degree | |
| Chang, Yu-Chi | 5,804,450 | 1.92% | - | - | - | - | Chang, Ching-Chi | Relatives in the second degree | |
| Ni, Lian-Ying | 5,020,550 | 1.66% | | | | | Sheng Shang Investment Co., Ltd.: | Supervisor | |

| Name | Own shareholding | | Shareholdings of the spouse and minor children | | Shareholding in other people's names | | Company name/name and relationship of related parties, spouse, or relatives in the second degree to top ten shareholders | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | Shareholding | Rate | Shareholding | Rate | Shareholding | Rate | Name | Relationship | |
| E-Sheng Steel Co.,Ltd.<br>Yan, Cing-Li | 4,820,400 | 1.60% | - | - | - | - | Nil | Nil | |
| Chen, Cong-Xin | 3,896,750 | 1.29% | - | - | - | - | Yi Tai Shen Co., Ltd | Supervisor | |

Note: Representative of Sheng Shang Investment Co., Ltd is supervisor of Representative of Yi Tai Shen Co., Ltd..

X. Total comprehensive shareholding ratio for the number of shares held by the Company, the Company's directors, managers and the Company directly or indirectly controlled by the Company in the same investment business：

Unit: thousand share；%；2025.12.31

| Re-invested businesses | The Company's investment | | Investment by directors, supervisors, managers or directly or indirectly controlled businesses | | Total investment | |
|---|---|---|---|---|---|---|
| | Shareholding | Rate | Shareholding | Rate | Shareholding | Rate |
| Chun Zu Machinery Industry Co., Ltd. | 28,821,939 | 47.81% | - | - | 28,821,939 | 47.81% |

Note： The investment of the Company based on the equity method.

# Chapter III：Capital and Shares

## I. Capital and shares

### (I) Source of Share Capital：

### i.History of Capital Formation

| Year/ Month | Value (NT$) | Approved Capital | | Paid-in Capital | | SharesAmount | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Source of Capital | | | Capital Increased by Assets Other than Cash | Others |
| | | Shares | Amount | Shares | Amount | Capital increase | Increase of earnings | Additional paid-in capital | | |
| 1965/03 | 10 | 300,000 | 3,000,000 | 300,000 | 3,000,000 | 3,000,000 | | | Nil | |
| 1966/03 | 10 | 1,800,000 | 18,000,000 | 1,800,000 | 18,000,000 | 15,000,000 | | | Nil | |
| 1967/04 | 10 | 2,100,000 | 21,000,000 | 2,100,000 | 21,000,000 | | 3,000,000 | | Nil | |
| 1970/05 | 10 | 2,300,000 | 23,100,000 | 2,300,000 | 23,100,000 | | 2,100,000 | | Nil | |
| 1971/05 | 10 | 2,656,500 | 26,565,000 | 2,656,500 | 26,565,000 | | 3,465,000 | | Nil | |
| 1973/05 | 10 | 3,750,000 | 37,500,000 | 3,750,000 | 37,500,000 | 2,965,500 | 7,969,500 | | Nil | |
| 1974/07 | 10 | 5,625,000 | 56,250,000 | 5,625,000 | 56,250,000 | | 18,750,000 | | Nil | |
| 1974/07 | 10 | 7,650,000 | 76,500,000 | 7,650,000 | 76,500,000 | | 20,250,000 | | Nil | |
| 1979/07 | 10 | 10,006,200 | 100,062,000 | 10,006,200 | 100,062,000 | | 16,026,750 | 7,535,250 | Nil | |
| 1980/07 | 10 | 12,000,000 | 120,000,000 | 12,000,000 | 120,000,000 | | 19,938,000 | | Nil | |
| 1985/07 | 10 | 16,200,000 | 162,000,000 | 16,200,000 | 162,000,000 | 6,000,000 | 12,000,000 | 24,000,000 | Nil | |
| 1986/09 | 10 | 17,700,000 | 177,000,000 | 17,700,000 | 177,000,000 | 6,900,000 | 8,100,000 | | Nil | |
| 1987/06 | 10 | 19,600,000 | 196,000,000 | 19,600,000 | 196,000,000 | 19,000,000 | | | Nil | |
| 1989/01 | 10 | 28,640,000 | 286,400,000 | 28,640,000 | 286,400,000 | 12,000,000 | 78,400,000 | | Nil | 77.10.22(77)Tai-Tsai -Tzeng(1)No.09217 |
| 1989/11 | 10 | 38,568,000 | 385,680,000 | 38,568,000 | 385,680,000 | 13,360,000 | 74,750,400 | 11,169,600 | Nil | 78.08.29(78) Tai-Tsai -Tzeng(1)No.01769 |
| 1990/06 | 10 | 50,000,000 | 500,000,000 | 50,000,000 | 500,000,000 | 114,320,000 | | | Nil | 79.04.04(79) Tai-Tsai -Tzeng(1)No.00643 |
| 1990/12 | 10 | 53,856,800 | 538,568,000 | 53,856,800 | 538,568,000 | | 38,568,000 | | Nil | 79.10.30(79) Tai-Tsai -Tzeng(1)No.02928 |
| 1991/12 | 10 | 61,935,320 | 619,353,200 | 61,935,320 | 619,353,200 | | 26,928,400 | 53,856,800 | Nil | 80.10.07(80)Tai-Tsai -Tzeng(1)No.02901 |
| 1992/08 | 10 | 98,000,000 | 980,000,000 | 98,000,000 | 980,000,000 | 236,776,160 | 30,967,660 | 92,902,980 | Nil | 81.04.18(81) Tai-Tsai -Tzeng(1)No.00737 |
| 1993/12 | 10 | 117,600,000 | 1,176,000,000 | 117,600,000 | 1,176,000,000 | | 49,000,000 | 147,000,000 | Nil | 82.10.16(82) Tai-Tsai -Tzeng(1)No.36680 |
| 1995/02 | 10 | 171,120,000 | 1,711,200,000 | 171,120,000 | 1,711,200,000 | 300,000,000 | 94,080,000 | 141,120,000 | Nil | 83.11.03(83) Tai-Tsai -Tzeng(1)No.40896 |
| 1995/08 | 10 | 191,654,400 | 1,916,544,000 | 191,654,400 | 1,916,544,000 | | 68,448,000 | 136,896,000 | Nil | 84.06.29(84) Tai-Tsai -Tzeng(1)No.38010 |
| 1996/08 | 10 | 214,652,928 | 2,146,529,280 | 214,652,928 | 2,146,529,280 | | 38,330,880 | 191,654,400 | Nil | 85.07.20(85) Tai-Tsai -Tzeng(1)No.40902 |
| 1997/09 | 10 | 334,705,000 | 3,347,050,000 | 244,705,000 | 2,447,050,000 | | 64,402,490 | 236,118,230 | Nil | 86.07.03(86) Tai-Tsai -Tzeng(1)No.52461 |
| 1998/09 | 10 | 392,069,600 | 2,740,696,000 | 274,069,600 | 2,740,696,000 | 293,646,000 | | | Nil | 87.07.10(87) Tai-Tsai -Tzeng(1)No.58505 |
| 1999/09 | 10 | 392,069,600 | 3,920,696,000 | 287,774,000 | 2,877,740,000 | | 27,406,960 | 109,637,040 | Nil | 88.07.12(88) Tai-Tsai -Tzeng(1)No.63130 |
| 2022/10 | 10 | 392,069,600 | 3,920,696,000 | 302,162,700 | 3,021,627,000 | | 143,887,000 | | Nil | Ching-Shou-Shang-Tzu No. 11101206400 |

ii.Types of Shares

| Share Type | Authorized Capital | | | Remarks |
|---|---|---|---|---|
| | Issued Shares | Un-issued Shares | Total | |
| Common Stock | 302,162,700 | 89,906,900 | 392,069,600 | |

iii.Information related to the aggregate filing system: Not applicable

(II) Shareholding Distribution Status：

2026.03.30

| Shares / Name | Shareholding | Rate(%) |
|---|---|---|
| Representative of Bai Jia Yuan Investment Co., Ltd.：Chen, Chi-Tai | 84,219,450 | 27.87 |
| Representative of Chin Chi Fu Asset Management Co., Ltd：Wang, Chiung-Fen | 28,491,850 | 9.43 |
| Representative of Chun Yu Investment Co., Ltd.：Wong, Chung-Chun | 23,430,172 | 7.75 |
| Representative of Yi Tai Shen Co., Ltd.：Wang, Chang-Ping | 14,790,300 | 4.89 |
| Sheng Shang Investment Co., Ltd.：Huang, Li-Rong | 12,737,500 | 4.22 |
| Chang, Ching-Chi | 7,607,100 | 2.52 |
| Chang, Yu-Chi | 5,804,450 | 1.92 |
| Ni, Lian-Ying | 5,020,550 | 1.66 |
| E-Sheng Steel Co., Ltd.：Yan, Cing-Li | 4,820,400 | 1.60 |
| Chen, Cong-Xin | 3,896,750 | 1.29 |

(III) The dividend policy of the Company and the pursuit of the policy

i. Dividend policy：

1.The Company may, in accordance with the Company Act, distribute earnings or make up losses after the end of each half of the fiscal year. When distributing earnings, the Company shall first estimate and reserve the taxes payable, offset accumulated losses in accordance with the law, and appropriate the legal reserve. However, this restriction shall not apply if the legal reserve has reached the amount of the Company’s paid-in capital.

Any distribution of earnings in cash shall be resolved by the Board of Directors, while any distribution made through the issuance of new shares shall be subject to approval by the shareholders' meeting in accordance with applicable regulations.

2.For the Company's annual earnings as determined at the close of each fiscal year, after payment of all taxes in accordance with the law and offsetting accumulated losses from prior years, the Company shall first appropriate 10% of the remaining balance as a legal reserve and make any reversals or appropriations to special reserve as required by applicable regulations.

The remaining balance, together with the undistributed earnings from the previous year, shall constitute the accumulated distributable earnings. A proposal for distribution shall be prepared by the Board of Directors and submitted to the shareholders' meeting for resolution.

3.The Company's dividend policy shall be based on its earnings condition, taking into consideration current and future funding needs for development as well as shareholders' interests. In principle, the distribution ratio shall not be less than 50%, and the proportion of cash dividends shall not be less than 50%.

However, if adjustments are required due to changes in the industry environment or the Company's operational planning, such adjustments may be proposed by the Board of Directors and submitted to the shareholders' meeting for resolution.

4.The legal reserve shall not be used except for offsetting the Company's losses or for issuing new shares or distributing cash to shareholders in proportion to their original shareholdings. However, where it is distributed in the form of new shares or cash, such distribution shall be limited to the portion of the reserve exceeding 25% of the Company's paid-in capital.

ii. The earnings distribution proposal for fiscal year 2025 has been approved by the Board of Directors, with a proposed cash dividend of NT$0.3 per share.

iii. No significant change in the dividend policy of the Company isanticipated.

(VII) The influence of paying stock dividend as discussed in this General Meeting of Shareholders on the operation performance and earnings per share of the Company：None.

(VIII) Bonuses of Employees, Directors and Supervisors

i. The percentage or scope of remunerations to the employ If the Company generates profit for the year, more than 2% of the annual profit should be allocated as employee compensation (with 0.4% of the profit allocated as compensation for grassroots employees). Up to 2% can be allocated as director compensation. However, if the Company has accumulated losses, the amount should be reserved to cover the deficit.

ii. Basis for estimating employee and director remuneration for the current period, the basis for calculating the number of shares to be distributed as stock-based employee remuneration, and the accounting treatment for any differences between the estimated and actual amounts: If there is any difference between the estimated amount and the actual amount distributed, such difference shall be treated as a change in accounting estimate and shall be recognized with adjustment in the year of distribution.

iii. Employees are entitled to variable incomes such as performance bonus：

The Company's corporate governance and operational management policies focus not only on the achievement of substantive operating results, but also more specifically on departmental objectives and individual performance. Accordingly, the Company has established production incentive and reward programs to recognize and reward employees for their hard work and contributions.

iv. Status of Remuneration Distribution Approved by the Board of Directors：

1. Amount of employee and director remuneration distributed in cash or stock：
   (1)Employee cash remuneration for fiscal year 2025: NT$1,340,000.
   (2)Director remuneration for fiscal year 2025: NT$1,330,000.
2. The proportion of the amount of reward for employees distributed in stock in the net profit after tax this year and in the total amount of rewards for employees：None.

v. When there is a difference in the actual status of reward (including number of shares, amount and stock price) distributed to employees, directors, and supervisors in the previous year (2025), state the amount, causes, and settlement of such difference：With respect to the board resolution, the reward for both employees and directors consistent with the amout ratified in the 2025 financial statements.

(IX) Status of stock buyback：None.

## II. Status of Issuance of Corporate Bonds：

### (I) Information on Corporate Bond：

<table>
<tr><td colspan="2">Tranche/Category</td><td>The 1st secured corporate bonds in 2021</td></tr>
<tr><td colspan="2">Date of Issuance</td><td>October 15, 2021</td></tr>
<tr><td colspan="2">Face Value</td><td>1,000,000</td></tr>
<tr><td colspan="2">Place of issuance and exchange</td><td>R.O.C</td></tr>
<tr><td colspan="2">Issue Price</td><td>Issued at full face value</td></tr>
<tr><td colspan="2">Total Issuance Amount</td><td>3,000,000,000</td></tr>
<tr><td colspan="2">Coupon Rate</td><td>(Fixed Rate)0.65%</td></tr>
<tr><td colspan="2">Duration</td><td>7 years，expiry date：October 15, 2028</td></tr>
<tr><td colspan="2">Corporate guarantors</td><td>First Commercial Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Trustee</td><td>Bank SinoPac</td></tr>
<tr><td colspan="2">Underwriter</td><td>First Securities Inc.</td></tr>
<tr><td colspan="2">Lawyer</td><td>Dinghe Law Firm</td></tr>
<tr><td colspan="2">CPAs</td><td>Pricewaterhouse Coopers</td></tr>
<tr><td colspan="2">Principal Payment</td><td>Simple interest from at coupon rate from the day of offering at the calculated and payable annually. Repayment of principal and payment of interest at one time at maturity.</td></tr>
<tr><td colspan="2">Outstanding balance</td><td>3,000,000,000</td></tr>
<tr><td colspan="2">Terms and conditions for early redemption or repayment</td><td>NA</td></tr>
<tr><td colspan="2">Restrictive clauses</td><td>NA</td></tr>
<tr><td colspan="2">Name of credit rating agency, dates of rating, and ratings awarded</td><td>NA</td></tr>
<tr><td rowspan="2">Attached with other rights</td><td>Amount of common stock, GDR/ADR or other securities already converted until the date of publication of the annual report (swapped or subscribed for)</td><td>NA</td></tr>
<tr><td>Regulations for Issuance and Conversion (Swap or Subscription)</td><td>NA</td></tr>
<tr><td colspan="2">Status of potential dilution of equity by the Regulations for Issuance and Conversion, Swap or Subscription, and the issuing terms and conditions, and impact thereof on the existing shareholders' equity.</td><td>NA</td></tr>
<tr><td colspan="2">Name of custody institute</td><td>NA</td></tr>
</table>

(II) Convertible bonds, exchangeable bonds, publicly registered bonds, or bonds with warrants: None.

III. Preferred Shares：None.

IV. Global Depository Receipts (GDR):：None.

V. Employee Stock Options：None.

VI. New restricted employee shares：None.

VII. Issuance of New Shares for Merger, Acquisition or Exchange of Other Companies’ Shares：None.

VIII. Financing Plans and Implementation：None.

## Chapter IV：Operations Profile

### I. Business Activities

#### (I) Business scope

i. Main businesses：

1. Manufacturing and trading of various steel products, machinery, and tools.
2. Manufacturing and trading of various screws, nuts, wood screws, iron nails, polished steel rods, polished billets, cold-drawn wire, spheroidized steel, structural steel, iron wire, and copper wire.
3. Heat treatment processing of the products listed in the preceding two items, as well as steel pickling and surface treatment processing.
4. Manufacturing and trading of electronic and electrical appliances.
5. Manufacturing and trading of parts for automobiles and bicycles.
6. Shipbuilding, repair, and dismantling.
7. Design, manufacturing, and contracting of machinery and equipment for pollution control and water treatment projects.
8. Collection and treatment of general waste, general industrial waste, and hazardous industrial waste.
9. Manufacturing and trading of hydrochloric acid, iron oxide, and metal powder injection-molded parts (for textile machinery, precision machinery, industrial machinery, electronic information equipment, office machines, automobiles, motorcycles, and medical devices).
10. International trade.
11. Wholesale of basic chemical materials.
12. Other businesses not prohibited or restricted by law, except for those requiring special permits.

ii. Business weighting：

Unit：NTD thousand

| Year<br>Product | 2024 | |
|---|---|---|
| | Amount | % |
| Screws | 1,719,966 | 20.70 |
| Nuts | 379,084 | 4.56 |
| Self-tapping screws | 2,758,466 | 33.20 |
| Polished wires | 126,705 | 1.53 |
| Spheroidized annealing wire | 1,032,275 | 12.43 |
| Equipment | 967,425 | 11.65 |
| Steel | 1,033,874 | 12.44 |
| Others | 289,874 | 3.49 |
| Total | 8,307,669 | 100.00 |

iii. Current Products (Services) and Planned New Product (Service) Development：

1. Current products (services)：
   - (1)Hardware: Shear studs, hex bolts, self-tapping screws, wood screws, self-drilling screws, chain screws, hex socket screws, high-strength bolts, construction screws and nuts, sleeve anchor bolts and nuts.
   - (2)Steel Materials: Bright bars (drawn wire rods), spheroidized wire.
   - (3)Others: Railway fastening systems; design and contracting of various pollution control and water treatment equipment.
2. Planned Development of New Products (Services)：
   - (1)Precision machined components (turned parts).
   - (2)Hot-forged components and surface treatment.
   - (3)Development of fasteners for renewable energy power generation.
   - (4)Railway fastening and assembly systems.
   - (5)Enhancement of spheroidized product technology.
   - (6)Development of heavy metal-free surface treatment technologies.
   - (7)Development of specialized fasteners (screws and nuts) for electric vehicles.
   - (8)Advanced development of pollution control and heat treatment processing technologies.
   - (9)Development of specialized fasteners for high-speed rail and mass rapid transit (MRT) systems.

## (II) Industry overview

### i. Industry overview and development：

Taiwan is the world’s third-largest exporter of fasteners, with related products distributed to more than half of the countries worldwide. Fasteners can be regarded as one of the most representative export products of Taiwan. Among the more than one thousand fastener manufacturers across Taiwan, over half are located in the southern region—primarily between Guiren and Rende Districts of Tainan and extending northward from Gangshan and Luzhu Districts of Kaohsiung, forming a major hub for steel, transportation, and heavy industries.

Taiwan’s fastener industry initially focused on the domestic market. It was not until the Vietnam War, when the U.S. military procured large quantities of screws and nuts from Taiwan, that the foundation for its international expansion was established. However, in recent years, the rise of China’s “red supply chain,” rapid advancements in production and raw material processing technologies in Southeast Asia, and increasing land and labor costs in Taiwan have led to a significant shift of manufacturing operations overseas. As a result, Taiwan has relinquished its leading position in the global fastener industry.

Amid intensifying market competition, Taiwan has restructured its manufacturing strategies by emphasizing specialization, upgrading production lines, and investing in research and development. The industry is targeting high-end sectors such as automotive, aerospace, and medical applications, while expanding into high value-added and specialized fastener products. These efforts have enabled Taiwan’s fastener industry to maintain a solid presence in the global market.

In 2025, the steel industry was impacted by a weak Chinese real estate market and overcapacity, leading to suppressed steel prices due to low-priced exports. The fastener industry also faced declining gross margins amid high interest rates in Europe and the United States, weakened demand, and intensified low-price competition from China. Overall, the market remained in the final stage of inventory destocking, with gradual signs of stabilization.

Looking ahead to 2026, with the anticipated restocking demand and production cuts in China, supply and demand conditions are expected to improve, leading to a recovery in the industry. Chun Yu will continue to focus on high value-added products, optimize capacity utilization and cost control, and promote low-carbon development to enhance competitiveness and expand market share.

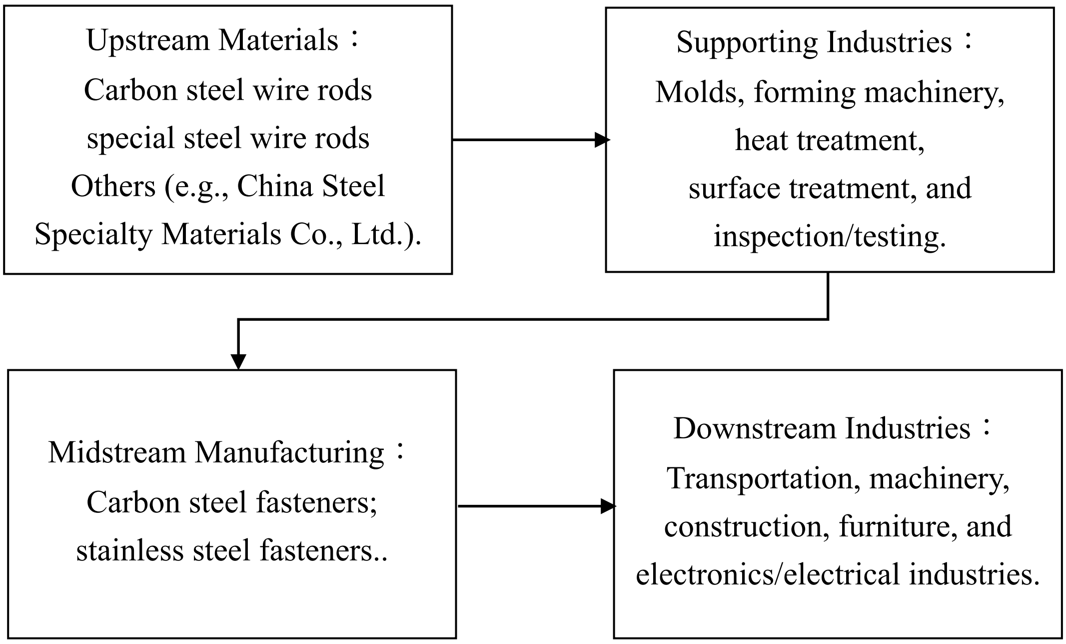
ii. Upstream, midstream and downstream of the industrial：

The steel industry is often referred to as the “mother of industry,” while fasteners are known as the “rice of industry,” as nearly all manufacturing sectors rely on their use.

The fastener industry chain begins with upstream materials such as wire rods and steel wire. Fastener manufacturers procure these raw materials and send them to specialized processing plants for treatment. The materials are then returned to fastener manufacturers for front-end processes such as heading, forming, and thread rolling. This is followed by downstream processes, including heat treatment to achieve high strength and hardness, as well as electroplating to enhance rust and corrosion resistance. Finally, surface finishing processes such as baking or spray coating are applied, completing the production of a small yet durable fastener.

With economic development and increasing industrialization, the application of fasteners has expanded significantly. Downstream industries include machinery, aerospace, transportation, medical, and construction sectors, demonstrating that fasteners are widely used across virtually all industries.

The following chart is referenced from the Department of Industrial Technology, Ministry of Economic Affairs：



iii. Product Development Trends：

Taiwan is renowned as the “Kingdom of Screws,” with mature manufacturing technologies, and screws and nuts have become one of Taiwan’s most important export industries. However, in the face of technological advancement, industrial upgrading, and intense global competition, Taiwan’s fastener industry is under pressure from multiple fronts. Industrial upgrading, manufacturing restructuring, and strategic adjustment have therefore become urgent priorities.

In response to market trends, the Company’s development strategies are as follows：

1.Product Certification

As products mature, countries are increasingly focusing on customized services and compliance with local product safety regulations. Through certification, companies can enhance customer confidence and loyalty, while also strengthening brand value.

2.Product Innovation

With rapidly changing global and domestic market trends, and in line with government promotion of corporate sustainability and industrial precision, fastener manufacturers must develop strong industry insight and collaborate with stakeholders in R&D innovation. This includes the development of specialized fasteners, precision manufacturing of screws and nuts, and environmentally friendly production processes, in order to further advance industrial development.

3.Industrial Upgrading

To assist Taiwan’s fastener industry in transformation and upgrading, and to mitigate the impact of low-priced products from mainland China, the Ministry of Economic Affairs has implemented the “NICE Upgrade and Transformation Program for the Screw and Nut Industry” in cooperation with industry players. The program focuses on niche products, smart equipment, skilled workforce development, and green manufacturing processes, guiding the industry toward Industry 4.0. Chun Yu will continue to follow government initiatives and move toward smart manufacturing and high value-added products.

4.Globalized Operations

Driven by globalization, digitalization, and supply chain restructuring, fastener manufacturers have been establishing additional production bases and sales locations worldwide. This enables optimized production-sales integration, diversification of operational risk, and improved overall business performance.

iv. Product Competitive Situation：

In recent years, continuous improvements in fastener forging technology in China and Southeast Asia, coupled with rising environmental awareness and increases in minimum wage policies in Taiwan, have led to higher production costs year by year. As a result, the cost gap between domestic manufacturers and overseas competitors has gradually narrowed.

In addition, the quality of fastener products from South Korea is comparable to that of Taiwan. Since South Korea has signed Free Trade Agreements (FTAs) with the European Union and the United States, it enjoys certain tariff advantages in those markets. Although Taiwanese and Korean products currently differ in market positioning and have not yet engaged in direct competition, if Korean manufacturers were to target Taiwan's key export markets in the future, Taiwan's international competitive advantage would inevitably be affected.

## (III) Overview of Technology and R&D

i. R&D Expenses for the Most Recent Year：

Unit：NTD thousand

| Year | 2024 (Actual) | 2025 (Actual) | 2026 (Expected) |
|---|---|---|---|
| Amount | 68,543 | 74,076 | 77,590 |

In fiscal year 2025, the Company continued to focus on the refinement and innovation of process technologies, striving to enhance product quality and yield. At the same time, it actively promoted the development and implementation of new processes and adopted environmentally friendly green materials to effectively reduce manufacturing costs and improve overall operational efficiency.

In response to future operational needs and evolving industry trends, the Company also continued to invest resources in the development of new products, expanding application areas and market presence, and enhancing product value-added and market competitiveness. In terms of low-carbon transformation, the Company actively utilized electric furnace billets for the development of low-carbon products. Through process optimization and adjustments in raw material selection, it effectively reduced carbon emissions during production while balancing economic benefits and environmental sustainability. Furthermore, the Company continued to integrate its R&D capabilities with its manufacturing strengths, strengthening technology accumulation and innovation. It also closely monitored international decarbonization trends and environmental regulations, incorporating energy-saving, carbon-reduction, and green manufacturing concepts into product design and process planning. Going forward, the Company will continue to deepen its low-carbon technology deployment, promote efficient resource utilization, and reduce environmental impact, thereby fulfilling its corporate social responsibility through concrete actions and steadily advancing toward sustainable operations and long-term value creation.

ii. R&D Expenditure and Outcomes：

| Item | Content |
|---|---|
| Product | 1. The screw forming method was granted the invention patent certificate (No. I576180) by the Intellectual Property Office, Ministry of Economic Affairs.<br>2. Screw bolt has been recognized by the Intellectual Property Right Bureau of the PRC with the issuance of invention patent certificate no. CN 111120487 B.<br>3. The bolt was granted the invention patent certificate (No. I673438) by the Intellectual Property Office, Ministry of Economic Affairs.<br>4. The torque-control high-strength bolts and nuts were granted the certificate of compliance (Guo-Chan-Fa-Zi No. 7411-0112) by Taiwan Power Company.<br>5. Success in the R&D of high-strength heavy nuts The torque-control high-strength bolts and nuts are characterized by the breakthrough in quality control, quick precision processing, surface treatment and heat treatment difficulty.<br>6. Success in the R&D and mass-production of the arc-welded stud for shear and concrete connection<br>7. Completion and gradual delivery of the specialty screws for use on the Taiwan High Speed Railway and Kaohsiung Metro.<br>8. Development of fasteners for heavy machinery.<br>9. Specialty wall plugs/anchors.<br>10. Specialty screws, nuts and rivets for cars and motorcycles.<br>11. Collated screws.<br>12. Screws and nuts for car and motorcycle engines.<br>13. Precision machining parts<br>14. Stamping parts<br>15. Railway fastener system<br>16. Stainless steel self-drill screws.<br>17. Specialty screws for bicycle transmission mechanisms and brake systems.<br>18. Self-drill screws<br>19. Long self-tapping screws. |

| Item | Content |
|---|---|
| Quality | 1. Establish a viable quality assurance system and accredited with ISO 9001 quality management system.<br>2. Established and implemented the statistical process control (SPC) quality control system.<br>3. Established a product quality base to ensure stable product quality in production.<br>4. Recognized by the BSMI of Ministry of Economic Affairs in 3 products with the issuance of the brand-honored certificate (high strengthen bolt with torque control, hexagonal nuts and flat grommet set, arc welding shearing stud, and bore screws).<br>5. Accredited with the A2LA 17025 of USA.<br>6. Accredited with the IATF-16949 qualify systems.<br>7. Accredited with JIS Making JISB1176 ST12.9 hex socket head bolt, JIS B1180 ST4.8. ST8.8, ST10.9 hex socket head bolt, JISB1186 F10T high-strength hexagon bolts, JIS B1125 self-tapping screws certifications. |
| Equipment | 1. Success in the development of the screw quality auto-checker It is progressively equipped on production equipment to reduce labor expenses, lower quality costs and enhance work efficiency.<br>2. LPG steam equipment to reduce energy costs.<br>3. Purchase of optical screeners to ensure 100% yield of automotive screws.<br>4. 2D and 3D measuring instruments, materials spectrometer, computer tapping machine.<br>5. Purchase of head forming machines for long screws under gauge M6.<br>6. Purchase of screw die re-headers<br>7. Purchase of self-drilling screw tail forming machines<br>8. Purchase of screw high-speed tail cutters<br>9. Modification of equipment and machine to enhance the precision capacity in manufacturing. |
| Pollution Control | 1. Renewal of wastewater and sludge equipment.<br>2. Completion of air pollution source change and smoothly acquired the operation permit.<br>3. Establishment of the complete environmental management system and pass the SGS evaluation Passed ISO14001 and ISO45001 certifications |

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

### i. Short term business development plan

1. Business strategy：

(1)Deepen overseas business development and strengthen international management capabilities.

(2)Expand global distribution channels to broaden sales markets

(3)Invest in R&D and innovation to develop diversified product offerings.

(4)Integrate group resources to achieve corporate synergy.

(5)Strengthen capital management to enhance operational performance.

(6)Provide comprehensive training and foster a culture of integrity.

2. Production Strategy：
   (1)Plan and optimize manufacturing processes to improve production efficiency.
   (2)Strengthen key production capacity to enhance overall manufacturing effectiveness.
   (3)Allocate plant resources to improve production line utilization.
   (4)Establish communication channels with cooperating manufacturers to ensure timely and effective information exchange.
3. Product Strategy:：
   (1)Develop customized items to meet market needs.
   (2)Enhance the value and innovation of customized products.
   (3)Reduce operational risks of products and pursue balanced production line development.
4. Marketing strategy：
   (1)Strengthen customer service and sales operations.
   (2)Optimize the company website and increase media exposure.
   (3)Develop new markets and customers, establish diversified marketing channels and sales models, and enhance market share and profitability.

ii. Long-term business development plan

1.Net-Zero Transition：

In response to international sustainability trends and relevant government policies, the Company plans to progressively invest in optimizing production processes and introducing smart manufacturing and carbon management systems. Through these initiatives, the Company aims to achieve low-carbon operations, digital transformation, and energy transition, thereby supporting environmental protection, energy conservation, and carbon reduction, and gradually moving toward the goal of net-zero emissions by 2050.

2.Circular Economy：

In alignment with the global net-zero trend and efforts to mitigate the impacts of climate change, the Resource Circulation Administration promotes a “Zero Waste Circular Economy” strategy, encouraging enterprises to adopt circular economy practices. With the advancement of technology and manufacturing processes, the Company’s water consumption, materials usage, and energy consumption have increased year by year.

The Company will actively invest in wastewater recycling and reuse, as well as regeneration acid treatment processes. In addition, through regular equipment maintenance and upgrades, the Company aims to enhance resource circulation efficiency, reduce environmental burden, minimize pollution, and decrease waste generation, thereby fostering a green circular economy and fulfilling its commitment to sustainable corporate development.

## II. Market and Sales Overview

### (I) Market Analysis：

i. Sales Regions and Proportion of Major Projects：

Unit：NTD thousand

| Year / Region | 2025 | |
|---|---|---|
| | AMT | % |
| Taiwan | 2,848,378 | 34.29 |
| Hong Kong and Mainland China | 1,953,274 | 23.51 |
| USA | 485,293 | 5.84 |
| Other countries | 3,020,724 | 36.36 |
| Total | 8,307,669 | 100.00 |

ii. Future Market Supply and Demand Conditions and Growth Potential：

According to data from Global Information, the global industrial fasteners market size reached approximately USD 89.7 billion in 2022 (Year 111). The market is expected to recover steadily in 2025 (Year 114) and continue expanding toward a target of USD 127.3 billion by 2030 (Year 119), with a compound annual growth rate (CAGR) maintained at around 4% to 5%.

The primary growth drivers of the industry continue to come from key application sectors, including automotive, aerospace, and construction. Among global regions, the Asia-Pacific region remains the largest industrial fasteners market.

However, entering 2025 (Year 114), as global inflation gradually eases, interest rate policies begin to shift, and inventory destocking approaches completion, the industry cycle is showing signs of recovery. Order momentum has improved significantly. Looking ahead to 2026 (Year 115), with the continuation of economic recovery, shipment performance is expected to further strengthen and sustain growth momentum：

1.Construction industry：

High inflation and persistent interest rate hikes have continued to disrupt the market, leading related manufacturers to adjust their inventories. In particular, the construction sector in China has remained relatively weak in orders and sales performance due to the impact of pandemic-related restrictions. Demand recovery is expected to become more apparent in the first half of 2026 (Year 115), as interest rate increases begin to stabilize.

In Europe and the United States, reduced new housing starts have led customers to adjust inventories, resulting in a slowdown in overall order momentum. However, as inventory adjustments gradually complete, and under the influence of the EU's anti-dumping duties imposed on Chinese fastener manufacturers, a notable order-shifting effect is expected to emerge, benefiting alternative suppliers.

2.Aerospace Industry：

With the easing of the pandemic, global economic recovery, and a surge in air transportation demand, the demand for new aircraft models continues to grow. As a result, demand for aerospace fasteners is expected to further increase in the coming years.

3.Solar Energy Industry

Driven by the global emphasis on sustainable development and carbon reduction, as well as energy crises caused by climate change and geopolitical conflicts, countries are actively seeking alternative energy sources. As a result, fasteners used in solar energy applications are expected to experience breakthrough growth over the next 2 to 3 years.

iii. Competitive edge

Facing rapid industry changes and intense competition, Chun Yu holds the following competitive advantages：

1.Production Capability：

During the fastener manufacturing process, multiple stages such as heading, forming, heat treatment, and anti-corrosion treatment are required. In response to operational needs, Chun Yu continues to expand production capacity, upgrade equipment, and establish information systems to effectively manage production processes and delivery schedules. The Company also integrates group resources and operational strategies to optimize the manufacturing chain.

2.R&D Capability：

Chun Yu is committed to enhancing the functionality and precision of fasteners. Based on customer feedback and testing results, the Company continuously improves forging and manufacturing processes to meet requirements for high quality, diversified specifications, and short lead times.

3.Marketing Capability：

Chun Yu has successfully entered markets in the Americas, Europe, and Asia. In addition to maintaining existing customer relationships, the Company leverages online platforms, media, and other marketing channels to enhance brand visibility and develop new customers.

4.Management Capability：

Chun Yu's management team possesses extensive experience and industry expertise, enabling timely responses to industry changes and appropriate adjustments to operational strategies. The Company also integrates group resources to optimize overall production and sales capabilities.

iv. Factors favorable and unfavorable for development in the long run, and the policy in response to the situations:

1.Favorable factors：

(1)Global sales network expansion.
(2)Group economies of scale and shared resources.
(3)Advancement in smart manufacturing.
(4)Product premiumization and diversification.
(5)Certain advantages in production scale and market share.
(6)Deep cultivation of domestic and international markets to build brand value.

2.Unfavorable factors：

(1)Industrial relocation and talent outflow.
(2)Intense price competition from domestic and international peers, affecting product pricing and gross margins.
(3)Global implementation of carbon emission taxes and related charges, increasing operating costs.

3.Response Strategies：

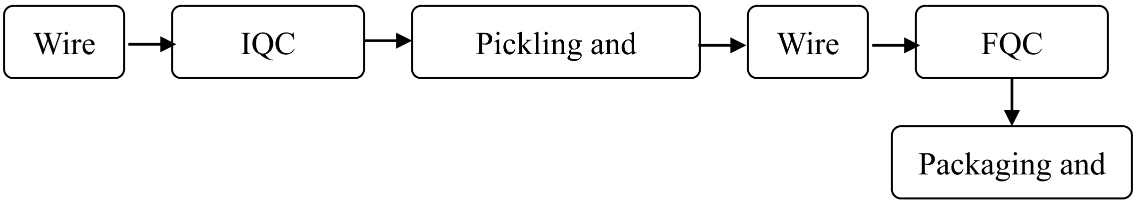
(1)Focus on niche products to reduce production costs.
(2)Integrate group resources to improve production efficiency.
(3)Invest in innovation and R&D to develop high-quality products.
(4)Align with international trends and commit to green energy development.
(5)Cultivate professional talent and retain core technologies in Taiwan.

(II) Important applications and manufacturing processes of majorproducts：

i.Steel Materials (Spheroidized / Bright Wire Rods)：

Steel wire rods are widely used in manufacturing industries such as screws, nuts, hand tools, steel cables, automotive and motorcycle parts, and electronic components.

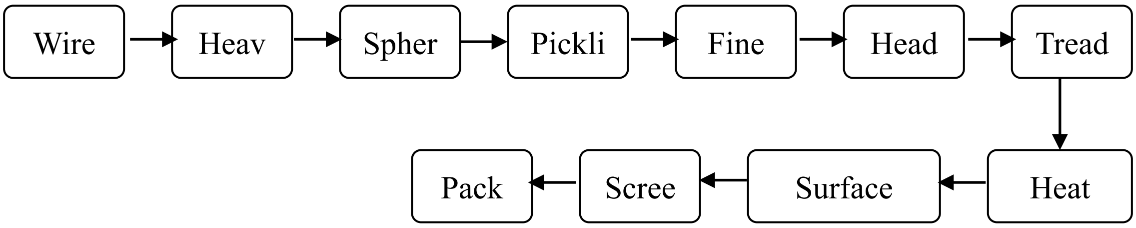
Process Flow Chart：



ii.Hardware Fasteners (Bolts, Screws, Nuts, Tapping Screws)：

Small hardware products are widely used in automotive fasteners, railway system fasteners, construction fasteners, and electronic fastening applications.

Process Flow Chart：



(III) Supply of major ingredients：

The Company expects that steel market prices will remain relatively stable in the first half of 2026. At present, the Company’s primary source of raw materials remains domestic steel manufacturers, and the overall supply situation is considered stable. However, in the event of insufficient availability of certain specifications or quantities, the Company will, based on actual production and operational needs, appropriately supplement supply through imports to ensure an adequate and uninterrupted raw material supply.

Meanwhile, the Company will continue to closely monitor changes in domestic and international steel market prices as well as supply and demand conditions, and will flexibly adjust its procurement strategies and supply allocation. The Company will further strengthen supply chain flexibility and resilience to maintain stable production and ensure smooth business operations.

(I) Suppliers with a procurement amount 10% above the total procurement amount in any one of the last two years

i. Major Suppliers in the past two years：

Unit：NTD thousand

| Item | 2024 | | | | 2025 | | | | As of March 31, 2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Name | Amount | Annual net purchase ratio (%) | Relations with issuers | Name | Amount | Annual net purchase ratio (%) | Relations with issuers | Name | Amount | Annual net purchase ratio (%) | Relations with issuers |
| 1 | Company A | 1,217,095 | 18.98 | - | Company A | 1,248,018 | 23.63 | - | Company A | 214,345 | 21.70 | - |
| 2 | Company B | 910,243 | 14.20 | - | Company D | 615,013 | 11.65 | - | Company D | 114,848 | 11.63 | - |
| 3 | Company C | 701,887 | 10.95 | - | - | - | - | - | - | - | - | - |
| 4 | Company D | 646,217 | 10.08 | | - | - | - | - | - | - | - | - |
| | Other | 2,935,596 | 45.79 | - | Other | 3,418,071 | 64.72 | - | Other | 658,657 | 66.67 | - |
| | Net purchase | 6,411,038 | 100.00 | - | Net purchase | 5,281,102 | 100.00 | - | Net purchase | 987,850 | 100.00 | - |

Explanation of Changes: The changes were primarily attributable to adjustments in procurement demand in line with changes in market demand and sales performance. In addition, the Company adjusted its procurement strategies and sourcing channels after taking into consideration factors such as rising raw material costs incurred by certain suppliers and the declining price competitiveness of their products, resulting in changes to its major suppliers.

ii. Major Customers in the past two years：

Unit：NTD thousand

| Item | 2024 | | | | 2025 | | | | As of March 31, 2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Name | Amount | Annual net sale ratio (%) | Relations with issuers | Name | Amount | Annual net sale ratio (%) | Relations with issuers | Name | Amount | Annual net sale ratio (%) | Relations with issuers |
| 1 | Company A | - | - | - | Company A | 1,034,656 | 12.45 | - | Company A | - | - | - |
| | Other | 9,165,105 | 100.00 | - | Other | 7,273,013 | 87.55 | - | Other | 1,798,919 | 100.00 | - |
| | Net Sale | 9,165,105 | 100.00 | - | Net Sale | 8,307,669 | 100.00 | - | Net Sale | 1,798,919 | 100.00 | - |

Explanation of Changes: The decrease was primarily attributable to the Company's adjustments to its product sales strategy and product mix. In addition, changes in market demand and the international economic environment resulted in reduced sales of certain products, leading to a decline in sales revenue.

III. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels：

| Year | | 2024 | 2025 | As of the date of publication of this Annual Report (March 31, 2026) |
|---|---|---|---|---|
| Number of employees | | 439 | 521 | 475 |
| Average age | | 40.69 | 39 | 39 |
| Average service year | | 9.75 | 8.2 | 7.7 |
| Academic distribution (%) | Ph.D. | 0.23 | 0.19 | 0 |
| | Master's degree | 3.19 | 3.45 | 3.37 |
| | College | 40.55 | 41.65 | 41.26 |
| | High school | 50.34 | 50.1 | 50.74 |
| | Below high school | 5.69 | 4.61 | 4.63 |

IV. Environmental Expenditure Information：

I.Losses from Environmental Pollution in the Most Recent Two Years and as of the Date of Publication of the Annual Report (Include compensation and violations identified by environmental protection inspections. Please specify the date of the disposition, disposition/decision number, violated law or regulation, details of the violation, and the content of the disposition)：

| Date of disposition | Items of disposition | |
|---|---|---|
| 2025/05/09 | Disposition Number | Disciplinary Ruling No. 20-114-050004 |
| | Violated law or regulation | Article 8, Paragraph 3 of the Air Pollution Control Act |
| | Details of the violation | Actual emissions of air pollutants exceeded the target annual emissions |
| | Content of the disposition | A fine of NT$1,500,000 |
| 2024/12/19 | Disposition Number | Disciplinary Ruling No. 30-113-120005 |
| | Violated law or regulation | Article 18-1, Paragraph 1 of the Water Pollution Control Act |
| | Details of the violation | Overflow discharge due to operational negligence |
| | Content of the disposition | A fine of NT$2,646,000 |

| Date of disposition | Items of disposition | |
|---|---|---|
| 2024/03/22 | Disposition Number | Disciplinary Ruling No. 20-113-030026 |
| | Violated law or regulation | Article 24, Paragraph 2 of the Air Pollution Control Act |
| | Details of the violation | Discrepancy between operational records and actual conditions |
| | Content of the disposition | A fine of NT$100,000 |
| 2024/03/22 | Disposition Number | Disciplinary Ruling No. 20-113-030025 |
| | Violated law or regulation | Article 23, Paragraph 1 of the Air Pollution Control Act |
| | Details of the violation | Ineffective hood collection (unable to capture emissions effectively) |
| | Content of the disposition | A fine of NT$450,000 |

II.Measure：Education and training will be provided to relevant personnel.

| Year / Contents | 2026 | 2027 | 2028 |
|---|---|---|---|
| External training for dedicated staff | 1. External professional training for workers in occupational safety, environmental engineering and nursing<br>2. Education and training of operators | 1. External professional training for workers in occupational safety, environmental engineering and nursing<br>2. Education and training of operators | 1. External professional training for workers in occupational safety, environmental engineering and nursing<br>2. Education and training of operators |
| Amount | 200,000 | 200,000 | 200,000 |

III.Environmental protection capital expenditure in the next three years

| Year / Contents | 2026 | 2027 | 2028 |
|---|---|---|---|
| Air pollution control equipment to be purchased or contents of expenditure | Installation of a Continuous Wastewater Monitoring System (CWMS) | Installation of electrostatic precipitators and scrubbers | Water recycling treatment equipment |
| Amount | 2,500,000 | 4,000,000 | 4,000,000 |

i. Expected Improvement：

1. Enhancement of wastewater treatment functions to reduce operational risks.
2. Reduction of air pollutant emissions, lowering air pollution fees, and ensuring compliance with local regulations.
3. Reduction of water usage costs, promotion of the circular economy, and lowering wastewater discharge fees.

ii. Effects after improvement：

| Year / Contents | 2026 | 2027 | 2028 |
|---|---|---|---|
| Impact on net income | No material impact | No material impact | No material impact |
| Effects on environment | Stabilize wastewater treatment plant operations and reduce river load through smart monitoring | Reduce air pollutant emissions, improve local air quality, and comply with regional total emission control standards | Improve recycling efficiency and promote circular resource use to reduce environmental impact |
| Effects on competitive position | Through continuous innovation and dedicated efforts, we reduce environmental impact, build a low-carbon supply chain, and invest in the circular economy. Anchored in sustainable development, we enhance environmental quality, fulfill social responsibility, ensure long-term corporate sustainability, and establish a green image as a role model. | | |

## V. Labor Relations

(I) The company’s various employee welfare measures, further education, training, retirement system and their implementation, as well as labor-management agreements and the measures to maintain the rights and interests of employees：

1. Employee benefits：
    - (1) Group insurance.
    - (2) Employee group meals.
    - (3) Annual health check-ups for all employees.
    - (4) Quality and production performance incentives.
    - (5) Year-end party lottery and bonuses.
    - (6) On-site and off-site training programs.
    - (7) Senior employee gold awards.
    - (8) Company vehicles and mobile phones for official use.
    - (9) Year-end bonuses and employee profit sharing.
    - (10) Scholarships for outstanding employees’ children.
    - (11) Free provision of uniforms, safety shoes, and safety helmets.
    - (12) Holiday and birthday gifts or cash awards (Labor Day, Dragon Boat Festival, Mid-Autumn Festival, birthdays)
    - (13) Clubs established by the Welfare Committee to organize recreational activities and employee trips.
    - (14) Club activities, such as aerobic dance, handicrafts, and various ball sports.

2. Further education
    - (1)Provide employees with the necessary knowledge and skills each year based on the company’s operational strategy and annual training programs.
    - (2)Regularly conduct labor education and training programs to promote integrity in business operations and professional ethics.
    - (3)Implement onboarding training to help new employees adapt to the work environment and become familiar with their job responsibilities.

(4)Statistics of employee continuing education and training programs in FY 2025：

| Training Type | Actual Number of Courses | Total Training Hours | Number of Trainees |
|---|---|---|---|
| New Employee Training | 3 | 192 | 48 |
| Quality Control | 33 | 540 | 293 |
| Production, Materials | 14 | 188 | 82 |
| Manufacturing | 33 | 1771 | 447 |
| Marketing | 4 | 94 | 47 |
| IT, Management, Procurement | 1 | 3 | 3 |
| Finance, Accounting | 3 | 20 | 11 |
| Audit, Internal Control | 2 | 12 | 2 |
| Total | 93 | 2,820 | 933 |

3. Retirement system and implementation：

Regarding employee retirement benefits, the Company has established relevant retirement policies in accordance with the Labor Standards Act and the Labor Pension Act**.** Pursuant to the Labor Standards Act, the Company allocates 4% of the total monthly salary of employees under the old pension system as retirement reserves and, before the end of each fiscal year, estimates whether the balance of the retirement reserves is sufficient to cover the expected retirement payments for eligible employees in the following year.

Since July 2005, with the implementation of the new labor pension system by the government, the Company contributes 6% of employees’ monthly wages to individual accounts at the Bureau of Labor Insurance in accordance with the law. Employees may also voluntarily contribute 0%–6% of their monthly wages to their retirement accounts.

In FY 2025, the Company recognized retirement expenses of NT$9,233 thousand for the defined benefit plan (old system) and NT$12,551 thousand for the defined contribution plan (new system).

4. Labor-management negotiations：

The Company places great importance on employee well-being and labor-management relations. Regular labor-management meetings are held, where supervisors at all levels engage in face-to-face discussions with employees or union representatives to promptly address various issues and challenges encountered at work, ensuring that employee voices are fully heard and considered. Through these meetings, effective labor-management coordination and communication are implemented, promoting organizational rationalization and humanized management, enhancing mutual trust and understanding, fostering a harmonious and stable work environment, and supporting the joint growth of employees and sustainable corporate development.

(1)Employee Suggestion Box: The Company has established an open channel for employee feedback, encouraging employees to provide constructive suggestions and improvement ideas, ensuring that all input is promptly addressed and incorporated into management decisions.

(2)Industrial Union and Collective Agreement: Since its establishment in 1972, the Company's industrial union has adhered to the core principles of mutual trust, understanding, and respect, maintaining a close cooperative relationship with the Company. Both parties have signed a collective agreement that clearly defines the rights and obligations of labor and management, safeguarding the interests of both sides and promoting labor-management harmony. The collective agreement not only covers compensation, leave, and welfare systems, but also addresses workplace safety, environmental improvements, and employee training, institutionalizing and enhancing the transparency of labor-management relations and establishing a long-term, stable cooperation model.

In addition, the Company actively establishes diversified communication channels, combining labor-management meetings with the employee suggestion box to ensure that policies and management measures fully respond to employee needs. Through institutionalized and standardized labor-management interactions, the Company not only enhances internal management efficiency but also fosters employee engagement and job satisfaction, creating a positive cycle that further strengthens the Company's stable operations and lays a solid foundation for sustainable development.

5. Status of Employee Rights Protection Measures: Implemented in accordance with relevant laws and regulations Comply with relevant laws and regulations.

(II) Losses arising from labor-management disputes (including the violation of the Labor Standards Act found in the labor inspection, with information regarding the date of punishment, ticket number, regulations breached, contents of breach and contents of punishment) in the last year up and by the date of annual report publication; and the estimated amounts that may occurred at present and in the future and countermeasures：

1. Violation of the Labor Standards Act found in the labor inspection： None.
2. Countermeasures：we have handled related matters by law.

VI. Information Security Management

(I) Framework of Information security risk management：

The Company has established an Information Security Team responsible for the comprehensive planning and implementation of information operations security management, as well as the establishment and maintenance of the information security management system. The team oversees the formulation, execution, and risk management of all information security and protection policies.

The Information Security Team is led by the General Manager, who drives, coordinates, and supervises information security management across the Company. All department heads serve as team members to ensure that management measures are effectively implemented across every operational unit. Meanwhile, the IT Department is dedicated to developing the Company's information security policies, plans, management measures, and technical standards, as well as evaluating and implementing related security measures to enhance overall information security capabilities.

In addition, the Company's Audit Office conducts regular audits to ensure the effective operation of internal control procedures and works closely with the Information Security Incident Reporting Procedure, ensuring that all information security events are properly handled and effectively controlled, thereby safeguarding the Company's information assets.

(II) Potential risks：

The Company made related information security policies and management regulations with reference to the laws of the government and international standards to assure security and stability of the information network, protect the business information or data of the Company from unauthorized access, use, control, leak, sabotage, modification, damage, or other forms of violations, and to safeguard the confidentiality, integrity, availability of information or data, and the normal running of the core business and production of the Company.

The Company has appointed designated personnel as the chief of information security and staff in 2025 in supporting the policy of the government and pursuit of information security governance.

(III) Substantive management options:

1. Enforce regular password changes and enable password complexity requirements to strengthen authentication for system logins.
2. Deploy firewalls, Intrusion Prevention Systems (IPS), malicious URL filtering, and Advanced Persistent Threat (APT) protection to defend against external cyberattacks.
3. The IT department performs regular online, offline, and offsite backups of core systems, and conducts annual disaster recovery drills.
4. Provide annual training and assessments for information security personnel to enhance their awareness of cybersecurity risks and related skills.
5. Establish control mechanisms for employee internet usage, email, personal data, and sensitive information to prevent improper disclosure or data leakage.
6. Equip the data center with an Uninterruptible Power Supply (UPS) and backup generators to ensure the continuous operation of information systems.

(IV) Resources committed to information and communication security management:

1. Perform regular maintenance and updates of all information security systems and equipment.
2. Procure internal network firewalls and plan to establish a secure operational zone for servers.
3. Education and Training: All new employees are required to complete information security training upon onboarding.

(V) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant information security incidents, the possible impacts therefrom, and measures being or to be taken: The Company had no major information security events in the latest year and up to the printing date of this Annual Report.

## VII. Important contracts：

Other than ordinary business activities, there are currently no significant contracts that materially impact the Company’s financial position or operations.

# Chapter V：Review of Financial Conditions, Financial Performance, and Risk Management

## I. Financial position

The main reasons and impacts of major changes in assets, liabilities and equity in the last two years：

Unit：NTD thousand

| Year / Item | 2025 | 2024 | Difference | |
|---|---|---|---|---|
| | | | Amount | % |
| Current assets | 6,952,881 | 8,133,740 | (1,180,859) | (14.52) |
| Property, plant, and equipment (PP&E) | 2,841,872 | 2,719,517 | 122,355 | 4.50 |
| Intangible assets | 5,178 | 5,072 | 106 | 2.09 |
| Other assets | 1,746,996 | 1,264,253 | 482,743 | 38.18 |
| Total assets | 11,546,927 | 12,122,582 | (575,655) | (4.75) |
| Current liabilities | 3,031,476 | 3,324,535 | (293,059) | (8.82) |
| Non- current liabilities | 3,927,135 | 3,666,679 | 260,456 | 7.10 |
| Total liabilities | 6,958,611 | 6,991,214 | (32,603) | (0.47) |
| Capital | 3,021,627 | 3,021,627 | 0 | 0.00 |
| Capital reserve | 559,704 | 522,676 | 37,028 | 7.08 |
| Retained earnings | 1,176,028 | 1,435,845 | (259,817) | (18.10) |
| Other equities | (618,523) | (442,934) | (175,589) | 39.64 |
| Treasury stock | (267,195) | (267,195) | 0 | 0.00 |
| non-controlling interest | 716,675 | 861,349 | (144,674) | (16.80) |
| Total equity | 4,588,316 | 5,131,368 | (543,052) | (10.58) |

Account for changes in two periods are up to 20% and the amount of changes is up to NT$10 million：

1.Other assets：The increase was mainly attributable to the increase in financial assets at fair value through other comprehensive income – non-current.

2.Other equities：The change was mainly attributable to an increase in unrealized valuation gains and losses.

## II. Financial Performance

### (I)The main reasons for major changes in operating income, operating profit and pre-tax net profit in the last two years, the expected sales volume and its basis, the possible impact on the company's future financial business and the response plan：

Unit：NTD thousand

| Year<br>Item | 2025 | 2024 | Increase (decrease) amount | Change ratio % |
|---|---|---|---|---|
| Operating revenue | 8,307,669 | 9,165,105 | (857,436) | (9.36) |
| Operating costs | (7,163,937) | (7,844,314) | 680,377 | (8.67) |
| Net operating margin | 1,143,732 | 1,320,791 | (177,059) | (13.41) |
| Operating Expense | (844,643) | (871,115) | 26,472 | (3.04) |
| Operating profit | 299,089 | 449,676 | (150,587) | (33.49) |
| Non-operating income and expenses | (49,160) | 78,846 | (128,006) | (162.35) |
| Profit before income tax | 249,929 | 528,522 | (278,593) | (52.71) |
| Income tax expense | (128,349) | (127,491) | (858) | 0.67 |
| Profit for the period | 121,580 | 401,031 | (279,451) | (69.68) |
| Profit attributable to owners of the parent | 55,298 | 287,146 | (231,848) | (80.74) |
| EPS | 0.20 | 1.03 | (0.83) | (80.58) |

The changes between the 2 periods accounted for 20% and amounted to NT$10,000,000, and the causal analysis：

1. Operating profit :Decreased in the current period, mainly due to a decline in operating revenue.
2. Non-operating income and expenses :Net expenses decreased in the current period, mainly due to an increase in net losses on financial assets at fair value through profit or loss.
3. Profit before income tax**,** Profit for the period**,** and Profit for the period**:** Same as explained for operating income.

### (II)Expected Sales Volume for the Coming Year and Basis Thereof

The Company's sales targets for 2026 have been established based on historical sales performance and the anticipated market supply and demand conditions, as follows:

| Product | Expected Sales Volume (Metric Tons) |
|---|---|
| Bolts | 37,000 |
| Nuts | 9,000 |
| Tapping Screws | 36,000 |
| Bright Steel Wire | 3,000 |
| Spheroidized Steel Wire | 40,000 |
| Total | 125,000 |

The Company's expected sales volume for 2026 has been determined based on a comprehensive assessment of historical sales performance, existing customer demand, order backlog, production capacity planning, industry supply and demand conditions, and the overall economic environment.

Looking ahead, the global steel market may continue to be affected by various factors, including economic cycles, international trade policies, fluctuations in raw material and energy prices, foreign exchange movements, environmental regulations, and geopolitical developments. These factors may create uncertainties in market demand and product pricing, which could, in turn, affect the Company's revenue and profitability.

To address changes in the market environment, the Company will continue to optimize its product portfolio, focus on high value-added and niche products, strengthen relationships with key customers, and actively expand both domestic and overseas markets. At the same time, the Company will continue to promote equipment upgrades, process improvements, and cost control measures to enhance production efficiency and operational performance. It will also implement energy conservation, carbon reduction, and sustainable development initiatives to strengthen its competitiveness and operational resilience, thereby mitigating the impact of external environmental changes on its financial position and business operations.

## III. Cash flow analysis

### (I) Analysis of liquidity in the past two years：

| Year / Item | 2025 | 2024 | Increase (decrease) ratio |
|---|---|---|---|
| Cash flow ratio | 26.67% | (14.72%) | 41.39 |
| Cash flow adequacy ratio | 86.29% | 90.06% | (3.77) |
| Cash reinvestment ratio | 3.73% | (5.06%) | 8.79 |

Analysis of Changes in Increase (Decrease) Ratios：

1. Cash flow adequacy ratio: The decrease was mainly due to net cash outflows from operating activities and an increase in current liabilities.
2. Cash reinvestment ratio: The decrease was mainly attributable to net cash outflows from operating activities.

### (II) Analysis of cash liquidity in the next year：

Unit：NTD thousand

| Beginning cash balance (1) | Net cash flow from operating activities for the year(2) | Annual net cash outflow (3) | Cash balance (1)+(2)-(3) | Remedy for cash shortage | |
|---|---|---|---|---|---|
| | | | | Investment Plans | Investment Plans |
| 724,463 | 1,700,000 | (1,700,000) | 724,463 | - | - |

Analysis of Changes in Cash Flows for the Year:

1. Operating activities: In 2025, there are no significant changes expected in collection conditions, raw material procurement, or payment terms for various payables. Net cash inflows from operating activities are estimated at NT$1,700,000,000.
2. Investing activities: Net cash outflows of NT$700,000,000 are expected, mainly due to capital expenditures for the acquisition of property, plant and equipment and other investing activities in 2025.
3. Financing activities: Net cash outflows of NT$1,000,000,000 are expected, primarily due to repayment of borrowings and distribution of cash dividends in 2025.
4. Remedial measures for anticipated cash shortfall and liquidity analysis: Not applicable.

## IV. Major capital expenditures during the most recent fiscal year：None.

## V. Recent investment policy, the main reasons for profits or losses, improvement plans, and investment plans for the coming year：

(I) Reinvestment Policy: The Company’s reinvestment policy is oriented toward enhancing products and competitiveness, as well as evaluating future market development potential, with the aim of expanding operational scale and achieving higher overall profitability.

(II) Main Reasons for Profits or Losses, Improvement Plans, and Investment Plans for the Coming Year: None.

VI. Risk analysis and other important matters：

(1)The impact of interest rate, exchange rate, and inflation rate changes on the Company’s revenue, as well as corresponding

1.Interest rate:

The Company regularly reviews and evaluates the interest rate terms of its bank borrowings, and continuously monitors interest rate trends in the financial markets as well as changes in the overall economic environment. It prudently plans its fund allocation and financing strategies. In addition, the Company maintains stable and long-term relationships with its financial institutions, and through close communication and negotiation mechanisms, strives to obtain competitive financing terms and preferential interest rates to effectively reduce funding costs.

Furthermore, the Company periodically reviews its borrowing structure and maturity profile, and flexibly adjusts its funding sources in response to market conditions. It also strengthens overall financial management to mitigate the potential impact of interest rate fluctuations, thereby ensuring a sound financial structure and efficient use of funds. Overall, the impact of interest rate changes on the Company’s financial condition remains manageable.

2.Exchange rate fluctuation：

The Company has established a comprehensive and well-defined foreign exchange risk management strategy, along with relevant operating procedures and internal control systems, to effectively manage foreign exchange risks. In response to fluctuations in the foreign exchange market, the Company continuously monitors international exchange rate trends and relevant economic indicators, prudently evaluates its foreign currency positions and exposure, and flexibly adjusts its foreign exchange strategies based on actual operational needs.

Furthermore, the Company strengthens its control over foreign exchange operations by implementing robust process management, enforcing hierarchical authorization, and enhancing risk monitoring mechanisms. It also makes appropriate use of hedging instruments when necessary to mitigate the impact of exchange rate fluctuations on operations and profitability. Through these measures, the Company is able to effectively manage foreign exchange risks and maintain financial stability.

3.Inflation：

The Company continuously monitors market price fluctuations and closely tracks supply and demand changes in raw materials and product markets, in order to adjust its operating strategies in response to changes in the external environment in a timely manner. At the same time, the Company maintains stable and long-term cooperative relationships with suppliers and customers, and enhances communication and coordination mechanisms as well as supply chain partnership management, thereby strengthening overall supply chain resilience and responsiveness. In addition, the Company prudently evaluates various financial and operational decisions, strengthens cost control and resource allocation efficiency, and continuously optimizes operating processes to mitigate the impact of inflation on the Company's operating costs and profitability. Overall, through diversified management measures, the Company effectively reduces the uncertainty and impact brought by inflationary pressures.

(2)Policies on high risk, highly leveraged investments, loans to other parties, endorsements, and derivative trading policies, main reasons for profits or losses, and future response measures:

1. Investment under high risks and leverage

The Company's primary investment targets are concentrated in the steel-related industry, which is a mature and well-established basic industrial sector with a relatively stable industrial structure and well-developed market mechanisms. Overall, the investment risks in this sector are considered manageable.

In its investment decision-making process, the Company adheres to the core principles of prudent evaluation and risk management, while continuously monitoring industry cycles and market developments to capture reasonable investment opportunities. The Company is committed to a philosophy of stable operations, placing strong emphasis on financial soundness and the safety of capital utilization, with long-term sustainable development as its primary objective. It avoids investments with excessively high risk or high volatility.

2. Lending of Capital

The Company did not engage in any lending of funds to others in 2025.

3. Endorsement

The Company's endorsement and guarantee counterparties are its subsidiaries, and the guarantees provided are for financing purposes. The relevant procedures are carried out in accordance with the Company's "Procedures for Lending of Funds and Endorsements and Guarantees," and are subject to approval by the Board of Directors.

4. Derivative product transactions

   The Company did not engage in any derivative transactions in 2025.

(3)Future Research & Development (R&D) Plans and Expected R&DExpenses:

1. In 2026, the Company expects ti invest NT$77,590 thousand in research and development.
2. R&D Plan in the future:
   - (a) Step up the training and development of good people.
   - (b) Upgrade the capacity in the tapping speed of screws.
   - (c) Improve the machine and equipment in service and build up the automation function.
   - (d) Intensify environmental protection to meet the requirements of environmental protection under related laws.
   - (e) Improve the molding tools for high tenacity screws to reduce the loss of materials and molding tools.
   - (f) Research and develop new products in alignment with business and market needs, and prompt for industrial upgrading.

(4)Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: None.

(5)Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response: None.

(6)Effect on the Company's crisis management of changes in the company's corporate image, and measures to be taken in response: None.

(7)Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

(8)Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(9)Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

(a)Purchases

The Company's primary raw material procurement sources are major domestic steel companies. The Company has entered into long-term supply contracts with key suppliers to ensure the stability and continuity of raw material supply. Through the establishment of stable and long-term cooperative relationships, the Company is able to effectively secure its raw material sources, reduce supply uncertainty, and ensure smooth production operations, thereby maintaining stable operations and enhancing overall supply chain resilience.

(b)Sales

The Company’s fastener products are primarily exported, with sales covering major countries and regions including the United States, the European Union, and China. Through a diversified market presence, the Company mitigates concentration risk in any single market and enhances overall operational stability.

In addition, when expanding its sales operations, the Company continuously evaluates customers’ operating conditions and credit risks, and accordingly adjusts transaction terms and sales strategies in a timely manner to reduce accounts receivable risk and overall operational uncertainty, thereby ensuring the Company’s stable and sustainable development.

(10)Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(11)Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(12)If there is any litigation or non-litigation, please list the significant litigation, non-litigation or administrative litigation with its judgment already made or pending which is related to the Company or the Company’s Directors , General Manager, actual person in charge, shareholders holding more than 10% of the Company's shares or affiliates. If the result may have a significant impact on the shareholders' equity or the price of the Company’s shares, please disclose the fact of the dispute, the claim amount, the date of commencement of the litigation, the principal litigants and the handling of the situation as of the date of publication of the annual report: None.

(13)Other important risks and counter measures：None.

VII. Other important matters：None.

# Chapter VI：Special Remarks

I. Information related to the company's affiliates

(I) Consolidated Business Report of affiliate companies

Please refer to the Market Observation Post System (MOPS) > Single Company > Electronic Document Download > Related Enterprises Three Forms Section.
(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(II) Consolidated Financial Statements of Affiliated Enterprises

A declaration regarding the consolidated financial statements of affiliated enterprises has been issued, stating that the company preparing the consolidated financial statements of affiliated enterprises is the same as the company preparing the consolidated financial statements of the parent and subsidiaries. Therefore, no separate consolidated financial statements of affiliated enterprises are prepared.

(III) Report on Affiliated Enterprises：None.

II. Transaction about the company’s private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. Other required supplementary notes: NA.

IV. Matters prescribed under Paragraph 3, Subparagraph 2 of Article 36 of the Securities and Exchange Act that have a material impact on shareholders’ equity or securities prices: None

CHUN YU WORKS & CO., LTD.

Chairperson Wong, Chung-Chun