Stock Code: 2017
TWSE MOPS: http://mops.twse.com.tw/
Website: http://www.quintain.com.tw
Printed on April 1, 2026

2025 Annual Report

官田鋼鐵股份有限公司
Quintain Steel Co.,LTD

Disclaimer:
This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistency between the Chinese original and this translation, the Chinese version shall prevail.

I. Spokesman

Name: Aaron Chen
Title: Vice Chairman
Tel: +886-6-2643888
E-mail: audit@quintain.com.tw

Deputy Spokesman

Name: Hu, Pi-Shan
Title: Chief Financial Officer
Tel: +886-6-2643888
E-mail: audit@quintain.com.tw

II. Headquarters, Branches and Plant

Headquarter: No. 119-5, Nanbu, Nanbu Village, Guantian Dist.,Tainan City
Tel: +886-6-5790406
General Administration Office: 4F, No. 47, Xinjian Rd., South Dist, Tainan City
Tel: +886-6-2643888
Maduo Factory: No. 586, Section 2, You'an Rd., Madou Dict, Tainan City.
Tel: +886-6-5701251
Guantian Factory: No. 119-5, Nanbu, Nanbu Village, Guantian Dist., Tainan City
Tel: +886-6-5790406

III. Stock Transfer Agent

Name: President Securities Corporation
Address: 1F, No.8, Dongxing Rd., Songshan District, Taipei City,10570
Tel: +886-2-27463797
Website: www.pscnet.com.tw

IV. Auditors of the Most Recent Year

Name: Deloitte & Touche
CPA: Liao, Hung Ju & Wu, Chan Gun
Address: 7005113F, No. 189, Sec 1, Yong Fu Rd., Tainan City
Tel: +886-6-2139988
Website: www.deloitte.com.tw

V. Overseas Securities Exchange: None

VI. Company Website: www.quintain.com.tw

Contents

1. Report to the Shareholders

1.1 Operating Results for 2025

1.1.1 Operating Performance

(1) Standalone Financial Statements — Unit: NT$ thousands

Item	2025	2024	YoY (%)
Net sales	2,167,210	2,652,344	-18%
Operating costs	2,335,699	2,695,276	-13%
Gross profit (loss)	(168,489)	(42,932)	-292%
Operating expenses	141,374	140,196	1%
Operating profit (loss)	(309,863)	(183,128)	-69%
Non-operating income and expenses	66,169	315,803	-79%
Pre-tax income (loss)	(243,694)	132,675	-284%
Net income (loss)	(239,440)	119,485	-300%
Other comprehensive income	(186,290)	(344,570)	46%
Total comprehensive income	(425,730)	(225,085)	-89%

a. The increase in gross loss is mainly due to a decline in sales volume and prices compared to last year, affected by the sluggish domestic real estate market and declining market demand.

b. The decrease in non-operating income and expenses is mainly due to the disposal of affiliated companies in 2024, with no such transactions in 2025.

c. The increase in other comprehensive income is mainly due to a decrease in unrealized losses or losses on equity investments measured at fair value through other comprehensive income, as the decline in stock prices of the Company's holdings was more moderate compared to 2024.

(2) Consolidated Financial Statements — Unit: NT$ thousands

Item	2025	2024	YoY (%)
Net sales	2,734,198	3,281,159	-17%
Operating costs	2,722,218	3,105,323	-12%
Gross profit (loss)	11,980	175,836	-93%
Operating expenses	414,716	412,108	1%
Operating profit (loss)	(402,736)	(236,272)	-70%
Non-operating income and expenses	100,160	413,009	-76%
Pre-tax income (loss)	(302,576)	176,737	-271%
Net income (loss)	(300,314)	164,213	-283%
Other comprehensive income	(236,763)	(389,876)	39%
Total comprehensive income	(537,077)	(225,663)	-138%

a. The decrease in gross profit was primarily attributable to the downturn in the domestic real estate market, declining market demand, and the significant decline in the domestic tourism market, resulting in a decrease in both sales volume and selling prices compared to the previous year.

b. The decrease in non-operating income and expenses was primarily attributable to the disposal of an associate in 2024, with no such transaction occurring in 2025.

c. The increase in other comprehensive income was primarily attributable to the decrease in unrealized valuation losses on equity instruments measured at fair value through other comprehensive income, as the decline in stock prices of the Group's holdings was more moderate compared to 2024.

1.1.2 Analysis of Cash Flow

(1) Individual Cash Flow Analysis Unit: NT$ thousands

Item	2025	2024	Amount Change
Net cash provided by (used in) operating activities	(126,426)	(328,193)	201,767
Net cash provided by (used in) investing activities	(816,658)	(1,169,006)	352,348
Net cash provided by (used in) financing activities	935,077	1,485,839	(550,762)

a. The net cash outflow from operating activities decreased, mainly due to the lower raw material purchases in 2025 compared to 2024, and the gain on disposal of investments accounted for using the equity method in 2024, which resulted in a net cash outflow from operating activities in 2024, while no such transaction occurred in 2025

b. The net cash outflow from investing activities decreased, mainly due to a decrease in acquisitions of financial assets measured at fair value through other comprehensive income compared to 2024.

c. The net cash inflow from financing activities decreased, mainly due to an increase in financial costs resulting from higher overall borrowings and rising interest rates.

(2) Consolidated Cash Flow Analysis Unit: NT$ thousands

Item	2025	2024	Amount Change
Net cash provided by (used in) operating activities	(95,158)	(313,153)	217,995
Net cash provided by (used in) investing activities	(995,015)	(1,618,293)	623,278
Net cash provided by (used in) financing activities	861,639	2,096,829	(1,235,190)

a. The net cash outflow from operating activities decreased, mainly due to lower raw material purchases in 2025 compared to 2024, and the disposal gain from investments accounted for using the equity method in 2024, which resulted in net cash outflows from operating activities in 2024, while no such transactions occurred in 2025.

b. The net cash outflow from investing activities increased, mainly due to a decrease in acquisitions of financial assets measured at fair value through other comprehensive income compared to 2024.

c. The net cash inflow from financing activities decreased, mainly due to the overall increase in borrowings and rising interest rates, as well as the continuous increase in right-of-use assets during the preparation stage of Chateau Real Estate, resulting in higher lease expenses

1.1.3 Profitability Analysis

Item	2025		2024	
	Individual	Consolidated	Individual	Consolidated
Return on assets (%)	-1.6%	-1.4%	2.1%	2.1%
Return on shareholders' equity (%)	-4.8%	-4.5%	2.3%	2.4%
Net profit (%)	-11.1%	-11.0%	4.5%	5.0%

All indicators for the year 2025 declined compared to 2024, primarily due to the net loss after tax incurred in 2025.

1.1.4 Research and Development Status: Please refer to the Annual Report 5.1.3 - Overview of Technology and R&D.

1.2 Business Plan for 2026

1.2.1 Business Objectives

(1) Improve the activation rate among factories (OEM included) to strengthen the competitiveness of the products.

(2) Increase sales of the construction screw (threaded rod included) and metal or plastic-machined screw.

(3) Improve the quality level:

A. The renewal and integration of the production equipment and environmental equipment of spheroidized wire and galvanized wire in Madou. Optimization of manufacturing techniques and environmental protection.

B. Reinforce the research and development of metal or plastic-machined products, as well as recruitment and training.

(4) Expand international markets.

1.2.2 Sales Forecast

The Company's main business is the sales of rolling mill products, such as wire rod and materials for producing spheroidizing wires, with the processing of wire rod into products such as screws and galvanized wires as a supplementary operation. In recent years, we have been working towards expanding our production, manufacturing, and sales of high-value-added products that are closer to end-users, such as screws, various types of galvanized wires, and bolts, with plate blanks as a supplementary operation. Since 2020, we have been expanding our screw factory, establishing a heat treatment factory and a bolt factory, updating and integrating our galvanizing production line and spheroidizing production line, and gradually completing and putting them into mass production. It is estimated that the total weight of manufactured and sold products for the year 2026 will be about 168,000 tons.

1.2.3 Sales and Production Policy

(1) Expanding the production of high-temperature hot-dip galvanized and electroplated galvanized wire products, improving the quality of various products, actively exploring new product markets, implementing on-site maintenance systems, in order to increase competitiveness in exporting to Japan and other countries.

(2) Increase the selectivity of final products of spheroidized wire from Madou Factory (e.g., Blast furnace materials or Electric furnace materials).

(3) Strengthen research and development of products in the metal plastic processing facility and heat treatment facility.

1.3 The effect of external competition, the legal environment, and the overall business environment

The global economy in 2025 continued to adjust under a high interest rate environment, with recovery momentum remaining uneven across regions. Major economies experienced divergent growth trends, while unresolved geopolitical risks and uncertainties in trade policies continued to affect global investment and trade activities. Although energy and raw material prices showed signs of fluctuation and stabilization, market volatility risks persisted, presenting ongoing challenges for business operations.

Amid intensifying international competition, uneven demand recovery, and increasingly stringent environmental and carbon emission regulations, the steel industry continues to face mounting operational pressure. Nevertheless, the advancement of infrastructure development and the deepening trend toward low-carbon transformation continue to bring structural opportunities to the industry. The Company remains attentive to external developments and is committed to enhancing operational efficiency, strengthening product competitiveness, and promoting low-carbon production processes, while flexibly adjusting its strategies to respond prudently to market challenges and reinforce long-term growth momentum.

1.4 The company's future development strategy

Looking forward, we will continue to adjust our strategies to respond to the dynamic changes in the global economy and industry, seek more cost-effective production methods, and explore new markets. These measures will enhance our market competitiveness and growth potential. Additionally, we will continue to optimize our core business and explore new growth opportunities. We thank all shareholders for their ongoing support and trust, and look forward to achieving greater success together in the future.

Wish all our shareholders good health and prosperity,

Chairman

Wang, Stanley C. T.

2. Corporate Govornance Report Directors, Independent Directors, and Management Team

2.1.1 Directors and Independent Directors

(1) Information

March 31, 2026

Title	Nationality	Name (Note 1)	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience and Education (Note 2)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Wang, Stanley C.T.	Male 71-80	2025 0528	3	2005 0122	97,263	0.03	122,157	0.027	3,511	0.001	0	0	Bachelor's Degree of Animal Science, Chung Hsing University; President, Quintain Steel Co., Ltd.	(Note 3)	None			-
Director	R.O.C.	Aaron Chen	Male 41-50	2025 0528	3	2005 0122	11,079,430	3.24	18,372,152	4.111	0	0	0	0	EMBA in Cheng Kung University; Vice Chairman, Quintain Steel Co., Ltd.	(Note 4)	None			-
Director	R.O.C.	Chia Chi Sdry Enterprise Co.,Ltd.	-	2025 0528	3	2002 0530	11,800,820	3.45	14,821,454	3.317	0	0	0	0	N/A	N/A	N/A			-
	R.O.C.	Representative: Hu, Pi-Shan	Female 41-50	2025 0528	3	2021 0201	42,635	0.01	47,000	0.011	0	0	0	0	Bachelor's Degree of Business, Providence University; VP Finance of Quintain Steel Co.,Ltd.	(Note 5)	None			-
Director	R.O.C.	Baulidu Investment Co., Ltd.	-	2025 0528	3	2007 0621	53,220,833	15.57	63,134,229	14.121	0	0	0	0	N/A	N/A	N/A			-
	R.O.C.	Representative: Hsieh, Cheng-Cheng	Male 51-60	2025 0528	3	2015 0106	8,741	0.00	9,035	0.004	0	0	0	0	Bachelor's Degree of Medical Management, Chia Nan University of Pharmacy and Science; President, Quintain Steel Co., Ltd.	(Note 6)	None			-
	R.O.C.	Representative: Chen, Chieh-Jen	Male 51-60	2025 0528	3	2021 0201	46,188	0.01	58,009	0.013	0	0	0	0	EMBA in Jia Yi University; Executive VP of Quintain Steel Co., Ltd.	(Note 7)	None			-
Director	R.O.C.	Liu, Fu-Tsai	Male 71-80	2025 0528	3	2016 0524	2,131,799	0.62	2,350,094	0.526	897	0	0	0	High School; President of Hung Hsin Building Materials Co., Ltd.	(Note 8)	None			-
Director	R.O.C.	Chen, Chien-Hsen	Male 61-70	2025 0528	3	2016 0524	133,237	0.04	167,340	0.037	0	0	0	0	Bachelor's Degree of Electrical Engineering, Kun Shan University; EMBA of National Taiwan University; President of Spreading Logistics Corporation	(Note 9)	None			-
Director	R.O.C.	Bai Jia Yuan Investment Co., Ltd.	-	2025 0528	3	2022 0526	200,000	0.06	251,193	0.056	0	0	0	0	N/A	N/A	N/A			-
	R.O.C.	Representative: Yan, Ching-Li	Male 61-70	2022 0526	3	2016 0524	0	0	0	0.00	1,500	0	0	0	Bachelor's Degree of Industrial Engineering, Feng Chia University; Chairman, E-TOP Metal Co., Ltd.	(Note 10)	None			-
	R.O.C.	Representative: Chen, Chi-Tai	Male 71-80	2025 0528	3	2019 0530	0	0	0	0.00	0	0	0	0	National Tainan Commercial Vocational Senior High School; Chairman, Chun Yu Machinery Industrial Co., Ltd.	(Note 11)	None			-
Director	R.O.C.	Hu, Jun-Hao	Male 40-50	2025 0528	3	2025 0528	652,900	1.46	652,900	1.46	0	0	0	0	Chung Hwa University of Medical Technology; General Manager, Xi Ji Department Store Co., Ltd.	(Note 12)	None			-
Independent Director	R.O.C.	Wang, Hung-Chuan	Male 51-60	2025 0528	3	2022 0526	20,449	0.01	25,682	0.006	0	0	0	0	Bachelor's Degree of Geomatics, Cheng Kung University; EMBA in Cheng Kung University; Chairman, Fu Teng Construction Co., Ltd.; Chairman, Fei-Hwan Co., Ltd.	(Note 13)	None			-

Title	Nationality	Name (Note 1)	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience and Education (Note 2)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Jian, Han-Ru	Male 31-40	2025 0528	3	2022 0526	0	0	0	0.00	0	0	0	0	Bachelor's Degree of Economic and Financial Law, National University of Kaohsiung; Master's Degree of Finance, Chung Hsing University; Lawyer, King Stone Attorneys At Law; Lawyer, Ruei Shin Law Firm; Lawyer, GCT Attorneys At Law; Lawyer, Jian Han Ru Attorneys At Law; Legal Aid Attorney and Reviewer of the Tainan Branch of the Legal Aid Foundation	(Note 14)	None			-
Independent Director	R.O.C.	Tsai, Shuo-Chuan	Male 61-70	2025 0528	3	2024 0530	0	0	0	0.00	0	0	0	0	Institute of Management, I-Shou University Secretary of the Agricultural Association, Zihguan District, Kaohsiung City Part-time Lecturer, Department of Finance and Banking, Kao Yuan University	(Note 15)	None			-

Note 1: The Company re-elected directors and independent directors on 2025/05/28.
Note 2: The directors and independent directors have not been employed by any audit firms or its affiliates within a year.
Note 3: Chairman of the Company; Chairman of Château Investment Co., Ltd.; Director of Chia Yuan Investment and Development Co., Ltd.; Supervisor of Quintain Investment Co., Ltd.
Note 4: Vice Chairman of the Company; Vice Chairman of Château International Development Co., Ltd.; Director of Chia Yuan Investment and Development Co., Ltd.; Supervisor of Kun Pao Industrial Co., Ltd.; Chairman of Wise Co., Ltd.; Director of Château Investment Co., Ltd.; Chairman of Mei Yu Industrial Co., Ltd.; Director of Launcher International Corporation; Director of Hsin-Shih Textile Co., Ltd.
Note 5: CFO of the Company; Director of Château Investment Co., Ltd.
Note 6: President of the Company; Chairman of Quintain Investment Co., Ltd.; Chairman of Chia Yuan Investment and Development Co., Ltd.
Note 7: Chairman of Luxe Green Energy Technology Co., Ltd.; Chairman of Cyun Li Energy Co., Ltd.; Supervisor of Sun Xin Energy Co., Ltd.; Chairman of Chin Lai Energy Development Co., Ltd.; Supervisor of Château Investment Co., Ltd.; Director of Kun Pao Industrial Co., Ltd.; Director of Quintain Investment Co., Ltd.; Director of Smokey Joe's Co., Ltd.; Supervisor of Mei Yu Industrial Co., Ltd.; Director of Château Rich Hotel Co., Ltd.
Note 8: Chairman of Hong Xin Building Materials Co., Ltd.; Director of Kun Pao Industrial Co., Ltd.; Chairman of Qiao Hong Investment Co., Ltd.; Director of Taiwan Steel Sports Marketing Co., Ltd.; Director of Luxe Green Energy Technology Co., Ltd.
Note 9: Director of Lian Chen Enterprise Co., Ltd.; Chairman of Park Avenue Sharing Space Co., Ltd.; Director of Chen Teng Fa Trading Co., Ltd.; Chairman of Speedy Ding International Co., Ltd.; Director of Mei Shang Medical Instrument Co., Ltd.
Note 10: Resigned as director of the Company after re-election on 2025/05/28.
Note 11: Chairman of Chun Yu Works Co., Ltd.; Chairman of Bai Jia Yuan Investment Co., Ltd.; Chairman of Chun Bang Precision Co., Ltd.; Chairman of Chun Yu Biotech Co., Ltd.; Chairman of Chun Yu Investment Co., Ltd.; Director of Chun Yu Works Co., Ltd.; Director of Chun Yu (Dongguan) Hardware Products Co., Ltd.; Director of Shanghai You Ju Hardware Products Co., Ltd.; Director of Chun Yu Machinery Industrial Co., Ltd.; Director of Shanghai Chun Yu Machinery Industrial Co., Ltd.; Director of Indonesia Lion Industrial Co., Ltd.; Director of Jiu Yang Precision Co., Ltd.; Director of Rong Fu Co., Ltd.; Director of Taiwan Styrene Monomer Corporation; Supervisor of Taiwan Steel Eagles Baseball Team Co., Ltd.; Supervisor of Taiwan Steel Sports Marketing Co., Ltd.; Supervisor of Tung Hong Metal Industry Co., Ltd.
Note 12: General Manager of Xi Ji Department Store Co., Ltd.
Note 13: Independent director of Château International Development Co., Ltd.; Chairman of Fu Teng Construction Co., Ltd.; Chairman of Fei Hwan Co., Ltd.; Director of Tai Jin Materials Technology Co., Ltd.
Note 14: Independent director of Château International Development Co., Ltd.; Director of Jian Han Ru Attorneys At Law
Note 15: Mr. Tsai, Shuo Chuan assumed as an independent director on May 30, 2024.

(2) Major Shareholders of Corporate Shareholders

March 31, 2026

Name of corporate shareholder	Major shareholders of the corporate shareholder	%
Chia Chi SDRY Enterprise Co., Ltd.	Aaron Chen	18.05
	Nien-Chen Hsueh	16.48
	Mi-Chuan Chen	15.95
	Pin-Chun Chen	15.67
	Hsieh-Tung Chen	14.86
	Hsiu-Lan Su	8.19
	Baulidu Investment Co., Ltd.	4.29
	Wen-An Chang	3.19
	Chun-Hao Hu	1.90
	Pi-Shan Hu	1.43
Baulidu Investment Co., Ltd.	Yu-Hui Shih	21.51
	Jia Yuan Investment and Development Co., Ltd.	15.34
	Aaron Chen	15.13
	Pin-Chun Chen	11.60
	Mi-Chuan Chen	11.35
	Nien-Chen Hsueh	5.56
	Hsieh-Tung Chen	4.74
	Quintain Steel Co., Ltd.	4.47
	Chia Chi SDRY Enterprise Co., Ltd.	2.48
	Chun-Xiang Deng	2.04
Bai Jia Yuan Investment Co., Ltd.	PROMINENT SINO HOLDINGS LIMITED	100.00

(3) If any Major Shareholder Listed in Form above is a Corporate/Juristic Person, List its Major Shareholders in this Form

March 31, 2026

Name of corporate shareholder	Major shareholders of the corporate shareholder	%
Jia Yuan Investment and Development Co., Ltd.	Quintain Steel Co., Ltd.	95.97
	Chin-Lang Chen	1.55
	Chin-Yi Chen	0.82
	Chin-Chang Su	0.74
	Chiun-Chuan Wang	0.47
	Yu-Ling Weng	0.45
Quintain Steel Co., Ltd.	Baulidu Investment Co., Ltd.	14.17
	Concord Investment Securities Co., Ltd.	9.30
	Asahi Enterprises Corporation	5.62
	Aaron Chen	4.11
	Château International Development Co., Ltd.	3.87
	Chia Chi SDRY Enterprise Co., Ltd.	3.43
	Mi-Chuan Chen	2.44
	Hsieh-Tung Chen	2.09
	Pin-Chun Chen	1.62
	Nien-Chen Hsueh	1.52
PROMINENT SINO HOLDINGS LIMITED	INNOVATIVE ADVISORS LTD	100.00

(4) Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors

Qualifications **Name**	**Professional qualifications and experience**	**Independence analysis**	**No. of other public companies at which the person concurrently serves as an independent director**
Director; Chairman: Wang, Stanley C.T.	1. Expertise: Board leadership experience, sales and marketing, business management, financial and related industry experience (frozen seafood, land development, corporate green energy). 2. Education: Department of Animal Science, Chung Hsing University. 3. Experiences: Vice president of Sales department, Tateh Industry Co., Ltd.; Chairman of Sunrise Securities Co., Ltd. 4. Other positions in conglomerate: Chairman and President, Quintain Steel Co., Ltd. 5. Other positions: Chairman of Château Investment Co., Ltd; Director of Chia Yuan Investment and Development Co., Ltd.; Supervisor of Quintain Investment Co., Ltd.	-	0
Director: Aaron Chen	1. Expertise: Board leadership experience, business, and related industry experience (department store retail, securities finance, steel, international trade, and procurement). 2. Education: Bachelor's Degree in economics, University of California; EMBA in Cheng Kung University. 3. Experience: Vice Chairman of Château International Development Co., Ltd; Chairman of Wise Co., Ltd. 4. Other positions in conglomerate: executive VP and vice chairman of the Company 5. Other positions: Vice Chairman of Château International Development Co., Ltd; Director of Château Investment Co., Ltd; Director of Chia Yuan Investment and Development Co., Ltd.; Chairman of Wise Co., Ltd.; Supervisor of Kun Pao Industrial Co., Ltd.; Director and Chairman of Asahi Enterprises corporation, Director of Launcher International corporation; Director of Hsin-Shih Textile Co., Ltd.	-	0
Director: Chia Chi Sdry Enterprise Co., Ltd. Representative: Hu, Pi-Shan	1. Expertise: Financial management and related industry experience (finance, securities, department stores). 2. Education: Bachelor's Degree in Department of Business, Providence University. 3. Experience: Vice president of Concord International Securities Co., Ltd. 4. Other positions in conglomerate: VP & Finance of Quintain Steel Co.Ltd. 5. Other positions: Director of Château Investment Co., Ltd.	-	0
Director: Baulidu Investment Co., Ltd Representative: Hsieh, Cheng-Cheng	1. Expertise: Sales and marketing, administrative management, production management, business management, securities finance, and related industry experience (seafood products, sales and procurement). 2. Education: Bachelor's Degree of Medical Management, Chia Nan University of Pharmacy and Science. 3. Relevant certifications: Senior securities specialist, Futures broker. 4. Experience: Purchasing deputy manager of Tateh Industry Co., Ltd.; senior manager of Sunrise Securities Co., Ltd. 5. Other positions in conglomerate: Sales manager, sesnior manager, vice president and President, Quintain Steel Co., Ltd. 6. Other positions: Chairman of Quintain Investment Co., Ltd.; Chairman of Chia Yuan Investment and Development Co., Ltd.	-	0
Director: Baulidu Investment Co., Ltd Representative: Chen, Chieh-Jen	1. Expertise: Corporate governance, environmental engineering, information technology, general affairs, business administration, and related industry experience (green energy development and planning). 2. Education: EMBA in Jia Yi University; Bachelor's Degree in business administration, University of Aletheia. 3. Relevant certifications: Senior securities specialist, University Lecturer Certificate. 4. Experience: Credit deparment of Jia Li farmers' association, management of Wintan securities Co., Ltd. 5. Other positions in conglomerate: the VP and executive VP of the Company, the leader of corporate governmence.	-	0
Director: Liu, Fu-Tsai	1. Expertise: Board leadership experience, communication and coordination, business, and related industry experience (sports, civil construction, and investment). 2. Education: High school. 3. Experience: President of Hung Hsin Building Materials Co., Ltd. 4. Other positions: Chairman of Hung Hsin Building Materials Co., Ltd.; Director of Kun Pao Industrial Co., Ltd.; Chairman of Chiao Hong investment Co., Ltd.; Director of TSG sport marketing Co., Ltd.; Director of Luxe Electric Co., Ltd.	-	0

Qualifications **Name**	**Professional qualifications and experience**	**Independence analysis**	**No. of other public companies at which the person concurrently serves as an independent director**
Director: Chen, Chien Shen	1. Expertise: International trade, marketing planning, business management, financial analysis and management, and related industry experience (trade marketing, market development, real estate construction investment planning). 2. Education: Bachelor's Degree in Department of Electrical Engineering, Kun Shan University; EMBA of National Taiwan University. 3. Experience: President of T. F. Chen Trading Co., Ltd.; Sales manager of Waltz Industry Co., Ltd. 4. Other positions: Chairman of Spreading International Logistics Corporation; Director of T. F. Chen Trading Co., Ltd.; Director of Mec Medical Co., Ltd.; Director of Gala Castle Co., Ltd.	-	0
Director: Chun-Hao Hu	1. Expertise: Department store retail operations, planning and management; procurement, design, and development of men's and women's footwear. 2. Education: Department of Industrial Safety and Health Management, Chung Hwa University of Medical Technology. 3. Experience: Warehouse staff, Sales, Manager, Associate Vice President, and Vice President of Jia Ji Department Store Co., Ltd. 4. Other positions: General Manager of Jia Ji Department Store Co., Ltd.	-	0
Director: Bai Jia Yuan Investment Co., Ltd. Representative: Chen, Chi-Tai	1. Expertise: Possesses professional experience in operational judgment, business management, crisis handling, industry knowledge, and understanding of international markets. 2. Education: National Tainan Commercial Vocational Senior High School 3. Experience: Chairman of Chun Yu & Works Co., Ltd. 4. Other positions: Vice Chairman of Chun Yu & Works Co., Ltd.; Chairman of Chun Yu Investment Corp.; Chairman of Chun Yu Bio-Tech Corp.; Chairman of Chun Ri Machinery Industrial Co., Ltd.; Chairman of Bai Jia Yuan Investment and Development Co., Ltd.; Director of OFCO Industrial Corporation; Chairman of TWO Investment Co., Ltd; Chairman of Chun Bang Precision Co., Ltd.; Supervisor of Taiwan Steel Sport Marketing Co., Ltd; Director of Taiwan Styrene Monomer Corporation, Chairman of Li Chiao Investment Co., Ltd.; Supervisor of Tong Horng Metal Industrial Co., Ltd.; Chairman of Shan Hai Chun Ri Machinery Industrial Co., Ltd.; Chairman of Lai Wang Cheng Developing Co., Ltd.	-	0
Independent Director: Tsai, Shuo-Chuan	1. Expertise: Business, finance, and relevant industry experience (financial sector). 2. Education: Institute of Management, I-Shou University 3. Experience: Secretary of the Agricultural Association, Zihguan District, Kaohsiung City; Part-time Lecturer, Department of Finance and Banking, Kao Yuan University of Technology; Member of the Remuneration Committee, Quintain Steel Co., Ltd. 4. Independent director's professional qualifications: Upon obtaining a work certificate, it is confirmed that the independent director has more than five years of work experience in business and company operations as required.	According to the provisions of the Company's articles of incorporation and the "Corporate Governance Best-Practice Principles," directors are elected through a nominee system. When nominating and selecting members of the board of directors, the Company has obtained written statements, work experience, current employment certificates, and family relationship tables from each director to verify and confirm their independence, as well as that of their spouses and relatives within the third degree of kinship, relative to the Company. Furthermore, the Company has verified that the three listed independent directors met the qualifications required by the "Regulations Governing Appointment of Independent Directors	0
Independent Director: Wang, Hung-Chuan	1. Expertise: Construction and renovation, business, and related industry experience. 2. Education: Bachelor's Degree of Geomatics, Cheng Kung University; EMBA in Cheng Kung University 3. Experience: Chairman of Fu Teng Construction Co., Ltd.; Chairman of Fei-Hwan Co., Ltd. 4. Other positions in conglomerate: Independent director of Quintain Steel Co., Ltd.; Independent director of		1

Qualifications Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
	Château International Development Co., Ltd. 5. Other positions: Chairman of Fu Teng Construction Co., Ltd.; Chairman of Fei-Hwan Co., Ltd; Director of Taichimetal Material Technology Co., Ltd. 6. Independent director's professional qualifications: Upon obtaining a work certificate, it is confirmed that the independent director has more than five years of work experience in business and company operations as required. 7. In order to maintain the coexistence of sustainable environment and corporate development, the Company has focused on green environmental protection and green building planning in recent years. The Company relies on the expertise of the independent director, hoping to help the Company fulfill the social responsibility in promoting energy conservation, environmental protection, and sustainable development.	and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act during the two years before their election and throughout their tenure. The independent directors have been fully empowered to participate in decision-making and express opinions under Article 14-3 of the Securities and Exchange Act, thereby independently exercising their relevant powers.	
Independent Director: Jian, Han-Ru	1. Expertise: Legal and related industry experience. 2. Education: Bachelor's Degree of Economic and Financial Law, National University of Kaohsiung; Master's Degree of Finance, Chung Hsing University; 3. Experience: Lawyer, King Stone Attorneys At Law; Lawyer, Ruei Shin Law Firm; Lawyer, GCT Attorneys At Law; Lawyer, Jian Han Ru Attorneys At Law; Legal Aid Attorney and Reviewer of the Tainan Branch of the Legal Aid Foundation. 4. Other positions in conglomerate: Independent director of Quintain Steel Co., Ltd.; Independent director of Château International Development Co., Ltd. 5. Other positions: Director of Jian Han Ru Attorneys At Law. 6. Independent director's professional qualifications: Upon obtaining a work certificate, it is confirmed that the independent director has more than five years of work experience in business and company operations as required.		1
Note 1: None of the directors of the Company have violated any of the situations stipulated in Article 30 of the Company Law. Note 2: Mr. Tsai, Shuo-Chuan resigned as an independent director of the Company and its subsidiary, Château International Development Co., Ltd., on May 30, 2024.			

(5) Diversity of the BOD

a. Policy: According to Article 15 of the "Corporate Governance Best-Practice Principles for Listed Companies" of the Company, board members should consider the knowledge, skills, and qualities required for execution and take into account the diversity of competencies. The main considerations are based on two major aspects:

i. Basic conditions and values: gender, age, international culture

ii. Professional knowledge and skills: operational judgment, accounting and financial analysis capabilities, management abilities, industry knowledge, and crisis management skills.

b. Objectives and the status of implementation

Objective	Implementation
Gender equality in the composition of board members (At least one-third of Board seats held by either gender)	In 2025, among the 12 board members, there were 2 female directors, making up 16.67% of the board, while male members comprised 83.33%. The Company has not yet achieved the goal of having at least one-third of its Board seats held by directors of either gender. This is primarily due to the traditional male-dominated nature of the industry, which has resulted in a relatively limited pool of female senior executives. To address this issue, the Company will strengthen the development of female leadership, broaden the pool of board candidates, and enhance the Board's awareness of gender diversity, with the aim of promoting gender balance and improving the quality of decision-making.
At least one-third of the independent directors must have expertise in law, finance, accounting, or technology.	Independent Director Tsai, Shuo-Chuan has expertise in finance and accounting, and Independent Director Jian Han-Ru has expertise in law, achieving a rate of 66.67%.
The consecutive term of all independent directors shall not exceed	Independent Directors Hung-Chuan Wang and Han-Ju Chien are serving their second term, while

three terms.	Shuo-Chuan Tsai is serving his first term, achieving a rate of 100%.

The implementation of board member diversity in 2025 is as follows:

Item / Name	Basic conditions and values				Professional knowledge and skills				
	Gender	**Age**	**Hold a concurrent position as a company employee**	**International Culture**	**Operational Judgment**	**Accounting and Financial Analysis**	**Management**	**Industry Knowledge**	**Crisis Management**
Wang, Stanley C.T.	M	71-80	✓		✓	✓	✓	✓	✓
Aaron Chen	M	41-50	✓	✓	✓	✓	✓	✓	✓
Chen, Chieh-Jen	M	51-60			✓		✓	✓	✓
Hsieh, Cheng-Cheng	M	51-60	✓		✓	✓	✓	✓	✓
Hu, Pi-Shan	F	51-60	✓		✓	✓	✓	✓	✓
Liu, Fu-Tsai	M	71-80			✓	✓	✓		✓
Chen, Chien-Hsen	M	61-70			✓	✓	✓		✓
Chen, Chi-Tai	M	71-80			✓		✓	✓	✓
Hu, Jun-hao	M	41-50			✓		✓	✓	✓
Wang, Hung-Chuan	M	51-60			✓		✓		✓
Jian, Han-Ru	F	31-40			✓	✓	✓		✓
Shuo-Chuan Tsai	M	61-70				✓	✓		✓

(6)Independence of the BOD：Please refer to pages 8-10 for the disclosure of professional qualifications and independence information of directors and independent directors.

2.1.2 Information on the Management Team

March 31, 2026

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience/Education	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C.	Hsieh, Cheng-Cheng	Male	2015 0301	9,635	0.002	0	0	0	0	Bachelor's Degree of Medical Management, Chia Nan University of Pharmacy and Science; Vice President of Sales Dept., Quintain Steel Co., Ltd.	Chairman of Quintain Investment Co., Ltd.; Chairman of Chia Yuan Investment and Development Co., Ltd.	None			
CFO	R.O.C.	Hu, Pi-Shan	Female	2010 0901	47,000	0.011	0	0	0	0	Bachelor's Degree in Department of Business, Providence University; VP of Concord International Securities Co., Ltd.	None	None			
VP, Sales	R.O.C.	Shun, Ying- Chieh	Male	2019 0101	0	0	0	0	0	0	Bachelor's Degree in Department of Industrial Engineering, Da Yeh University; Assistant VP, Sales of the Company	None	None			
Assistant VP, Finance	R.O.C.	Hung, Chen-Lun	Male	2021 0901	4,160	0.001	0	0	0	0	Bachelor's Degree in Chung Yuan Christian University; Manager of Finanace Dept.	None	None			
VP, Management Dept.	R.O.C.	Chang, Shu-Fen	Female	2022 0701	4,233	0.001	0	0	0	0	Master's Degree in Bussiness Administration, National Central University; Manager of Management Dept.	None	None			
Assistant VP, Guantain Factory	R.O.C.	Guo, Wen-Zhi	Male	2024 0101	15,000	0.003	3,000	0.002	0	0	Kun Shan University, Graduate Institute of Mechanical Engineering Plant Manager at Guantian Steel Processing Factory	None	None			
Assistant VP, Sales	R.O.C	Wang, Hsiu-Hua	Female	2024 0717	28,878	0.007	0	0	0	0	Graduate Institute of Construction Engineering, National Kaohsiung First University of Science and Technology Quality Assurance / Procurement, Goodweld Corporation	None	None			

2.2 Remuneration of Directors, Supervisors, President, and Vice Presidents

2.2.1 Remuneration of Directors

Abbreviation in this table: C (the Company); All (all companies in the consolidated financial statements) December 31, 2025 Unit: NT$ thousand

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E) (note 1)		Severance Pay (F)		Employee Compensation (G)						
		C	All	C	All	C	All	C	All	C	All	C	All	C	All	C		All		C	All	
																Cash	Stock	Cash	Stock			
Chairman	Wang, Stanley C.T.	0	0	0	0	0	0	60	60	60 -0.03%	60 -0.03%	2,865	2,865	0	0	0	0	0	0	2,925 -1.22%	2,925 -1.22%	None
Director/ Vice Chairman	Aaron Chen	0	0	0	0	0	0	60	78	60 -0.03%	78 -0.03%	1,772	2,185	0	73	0	0	0	0	1,832 -0.77%	2,336 -0.98%	None
Director	Liu, Fu-Tsai	0	0	0	0	0	0	60	60	60 -0.03%	60 -0.03%	0	0	0	0	0	0	0	0	60 -0.03%	60 -0.03%	67
Director/ CFO	Chia Chi Sdry Enterprise Co., Ltd. Hu, Pi-Shan	0	0	0	0	0	0	60	60	60 -0.03%	60 -0.03%	1,552	1,552	83	83	0	0	0	0	1,695 -0.71%	1,695 -0.71%	None
Director/ President	Baulidu Investment Co., Ltd. Hsieh, Cheng-Cheng	0	0	0	0	0	0	60	60	60 -0.03%	60 -0.03%	2,168	2,168	0	0	0	0	0	0	2,228 -0.93%	2,228 0.93%	None
Director/ Vice President	Baulidu Investment Co., Ltd. Chen, Chieh-Jen	0	0	0	0	0	0	60	60	60 -0.03%	60 -0.03%	411	411	0	0	0	0	0	0	471 -0.2%	471 -0.2%	1,341
Director	Chen, Chien-Hsen	0	0	0	0	0	0	60	60	60 -0.03%	60 -0.03%	0	0	0	0	0	0	0	0	60 -0.03%	60 -0.03%	None
Director	Bai Jia Yuan Investment Co., Ltd. Chen, Chi-Tai	0	0	0	0	0	0	60	60	60 -0.03%	60 -0.03%	0	0	0	0	0	0	0	0	60 -0.03%	60 -0.03%	None
Director	Bai Jia Yuan Investment Co., Ltd. Yan, Ching-Li	0	0	0	0	0	0	25	25	25 -0.01%	25 -0.01%	0	0	0	0	0	0	0	0	25 -0.01%	25 -0.01%	None
Director	Hu, Jun-hao	0	0	0	0	0	0	35	35	35 -0.01%	35 -0.01%	0	0	0	0	0	0	0	0	35 -0.01%	35 -0.01%	None
Independent Director	Shuo-Chuan Tsai	0	0	0	0	0	0	60	60	60 -0.03%	60 -0.03%	0	0	0	0	0	0	0	0	60 -0.03%	60 -0.03%	None
Independent Director	Wang, Hung-Chuan	00	00	00	00	00	85	60	159	60 -0.03%	159 -0.07%	0	0	0	0	0	0	0	0	60 -0.03%	159 -0.07%	None
Independent Director	Jian, Han-Ru	00	00	00	00	00	85	60	168	60 -0.03%	168 -0.07%	0	0	0	0	0	0	0	0	60 -0.03%	168 -0.07%	None

(1) Please describe the payment policy, system, standard and structure of independent director's remuneration, and describe the relevance of payment amount according to factors such as the borne responsibility, risk and devotion time etc.: The payment of remuneration by the Company to independent directors is based on the performance evaluation of directors and referred to the Company's Article 23 of Articles of Incorporation, "The payment of remuneration to directors should be determined by the Remuneration Committee and submitted to the Board of Directors for resolution based on the directors' degree of participation and contribution value to the Company operation, taking domestic and international industry standard into account."
Representative of corporate director Baijiayuan Investment Co., Ltd., Yen, Ching-Li resigned as Director on May 28, 2025, and Hu, Chun-Hao assumed the position of Director on May 28, 2025.

(2) Apart from those disclosed in the above table, the remuneration received by company directors (general directors, not independent directors) for providing service to all companies in financial report in the last year (such as taking a post as an adviser other than an employee etc.): None.

(3) Wang, Stanley C.T., the Chairman, is given an official car, and the rental expense is NT$1,025,000; Hsieh, Cheng-Cheng, the Director and President, is given an official car, and the rental expense is NT$366,000 .

2.2.2 Remuneration of the President and Vice Presidents

Abbreviation in this table: C (the Company); All (all companies in the consolidated financial statements) December 31, 2025 Unit: NT$ thousand

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)				Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		C	All	C	All	C	All	C		All		C		All		
								Cash	Stock	Cash	Stock					
President	Hsieh, Cheng-Cheng	1,620	1,620	0	0	548	548	0	0	0	0	2,168	-0.91%	2,168	-0.91%	None
CFO	Hu, Pi-Shan	1,416	1,416	83	83	136	136	0	0	0	0	1,635	-0.68%	1,635	-0.68%	None
Vice President	Kuo, Ying-Chien	140	140	8	8	0	0	0	0	0	0	148	-0.06%	148	-0.06%	None
Vice President	Shun, Ying- Chieh	1,200	1,200	74	74	161	161	0	0	0	0	1,435	-0.6%	1,435	-0.6%	None
Vice President	Chang, Shu-Fen	1,236	1,236	73	73	150	150	0	0	0	0	1,459	-0.61%	1,459	-0.61%	None

(1) Hsieh, Cheng-Cheng, the Director and President, is given an official car, and the rental expense is NT$366,000; Kuo, Ying-Chien, Vice President, is given an official car at a cost of NT$781, 000 with a net value of 0; Shun, Ying- Chieh, Vice President, is given an official car at a cost NT$ 210,000, and the net value is NT$169,000; Chang, Shu-Fen, Vice President, is given an official car at a cost NT$ 390,000, and the net value is NT$504,000.

(2) **Vice President Kuo, Ying-Chien resigned on February 9, 2025.**

2.2.3 Remuneration of the Top Five High-Ranking Management Team

Abbreviation in this table: C (the Company); All (all companies in the consolidated financial statements) December 31, 2025 Unit: NT$ thousand

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)				Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		C	All	C	All	C	All	C		All		C		All		
								Cash	Stock	Cash	Stock					
President	Hsieh, Cheng-Cheng	1,620	1,620	0	0	548	548	0	0	0	0	2,168	-0.91%	2,168	-0.91%	None
CFO	Hu, Pi-Shan	1,416	1,416	83	83	136	136	0	0	0	0	1,635	-0.68%	1,635	-0.68%	None
Vice President	Chang, Shu-Fen	1,236	1,236	73	73	150	150	0	0	0	0	1,459	-0.61%	1,459	-0.61%	None
Vice President	Shun, Ying- Chieh	1,200	1,200	74	74	161	161	0	0	0	0	1,435	-0.6%	1,435	-0.6%	None
Assistant VP	Hung, Chen-Lun	1,026	1,026	60	60	124	124	0	0	0	0	1,210	-0.51%	1,210	-0.51	None

(1) The assistant vp, Hung, Chen-Lun, is given an official car at a cost of NT$654,000, with a net value of NT$191,000.

2.2.4 Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2025 Unit: NT$ thousand

Title		**Name**	**Stock**	**Cash**	**Total**	**Ratio of Total Amount to Net Income (%)**
Management team	President	Hsieh, Cheng-Cheng	0	0	0	0.0000%
	CFO	Hu, Pi-Shan				
	Vice President	Kuo, Ying-Chien				
	Vice President	Shun, Ying- Chieh				
	Vice President	Chang, Shu-Fen				
	Assistant VP	Hung, Chen-Lun				
	Assistant VP	Kuo, Wen-Chih				
	Assistant VP	Wang, Hsiu-Hua				

2.2.5 Remuneration Policy

(1) The proportion of remuneration paid by the Company and its consolidated companies to the directors, supervisors, general manager, and deputy general managers in relation to the individual financial statements' net profit (loss) after tax: For the year 2025, the rates were -5.2679% and -5.5646%, respectively, while for 2024, they were 11.9314% and 12.5848%, respectively. The difference in proportions between the two years is primarily due to the net loss after tax in 2025.

(2) Policy, Standards, and Composition of Remuneration

a. According to Article 23 of the Company's Articles of Incorporation, the remuneration of directors is determined by the Compensation Committee's recommendations based on their respective levels of participation in company operations, contribution value, and in consideration of domestic and international industry standards, and is approved by the board of directors. Additionally, if the Company is profitable during the fiscal year, in accordance with Article 27 of the Articles of Incorporation, the board of directors shall decide, with the attendance and agreement of more than two-thirds of the directors and more than half of the attending directors, to allocate up to 1% of the profits as director remuneration.

b. The remuneration of the Company's managers is paid according to the salary standards of the Company's system, and this salary compensation policy and system are reviewed by the Compensation Committee and implemented by resolution of the Board of Directors. Additionally, if the Company is profitable during the year, in accordance with Article 27 of the Articles of Incorporation, at least 1% of the profits is allocated as employee remuneration. The Company uses the results of performance evaluations conducted under the "Performance Management Procedures" as a reference for the issuance of manager bonuses. Manager performance assessment items are divided into two main categories: 1) Financial indicators: based on the Company's management income statement, the distribution of each department's contribution to company profits, and considering the manager's target achievement rate; 2) Non-financial indicators: the Company's operational management capabilities, participation in sustainable management, etc., to calculate the remuneration for operational performance and to review it timely according to the actual business situation and relevant laws.

c. The scope of remuneration payments by the Company is consistent with the provisions related to director and manager remuneration in the Regulations Governing Information to be published in Annual Reports of Public Companies.

(3) The process for determining remuneration: The performance assessments and the reasonableness of compensation for the Company's directors and managers are regularly evaluated and reviewed annually by the Compensation Committee and the Board of Directors. This includes considering individual performance achievement rates and contributions to the Company, as well as taking into account the overall operational performance of the Company, future industry risks, and development trends. Additionally, the remuneration system is reviewed as needed based on the actual operating conditions and relevant laws. A comprehensive consideration of current corporate governance trends is also factored in to ensure the compensation is reasonable, aiming to balance sustainable business operations and risk management.

(4) Relevance to operational performance and future risks:

a. The review of the remuneration policy, standards, and systems of the Company primarily considers the overall operational status of the Company. Compensation standards are determined based on performance achievement rates and contributions to enhance the overall team effectiveness of the Board of Directors and management departments. Additionally, industry compensation standards are referenced to ensure that our management's remuneration is competitive within the industry, retaining excellent management talent.

b. The performance targets of the Company's managers are integrated with "risk management" to ensure that potential risks within their responsibilities are managed and mitigated. Remuneration is linked to the actual performance evaluations, connecting various human resources and related compensation policies. Key decisions made by the Company's management are balanced after considering various risk factors, and the performance of these decisions is reflected in the Company's profits. Consequently, the remuneration of the management and the effectiveness of risk control are interconnected.

2.3 Operation of Corporate Governance

2.3.1 Operation of the Board of Directors

(1) In the most recent fiscal year 2025, the board of directors held 5 meetings, and the attendance of the directors was as follows:

Title	Name	Attended in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Wang, Stanley C.T.	5	0	100	
Director	Aaron Chen	5	0	100	
	Liu, Fu-Tsai	1	3	20	
	Chen, Chien-Hsen	3	2	60	
	Chia Chi Sdry Enterprise Co., Ltd. Representative: Hu, Pi-Shan	5	0	100	
	Baulidu Investment Co., Ltd. Representative: Hsieh, Cheng-Cheng	5	0	100	
	Baulidu Investment Co., Ltd. Representative: Chen, Chieh-Jen	5	0	100	
	Bai Jia Yuan Investment Co., Ltd. Representative: Chen, Chi-Tai	4	1	80	
	Bai Jia Yuan Investment Co., Ltd. Representative: Yan, Ching-Li	1	1	50	Dismissed on 2025/05/28
	Chun-Hao Hu	3	0	100	Newly appointed on 2025/05/28
Independent director	Tsai, Shuo-Chuan	4	1	80	
	Wang, Hung-Chuan	5	0	100	
	Jian, Han-Ru	5	0	100	
Other information required to be disclosed: If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors: a. Any matter under Article 14-3 of the Securities and Exchange Act. b. In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution.					

(2) Implementation of directors' recusal from conflict of interest issues

Date	Item	Directors Required to Recuse	Reasons for Conflict of Interest Recusal	Participation in Voting
2025/05/12	Proposed disposal of real property to related parties by the Company	Chen, Chieh-Jen; Chen, Chien-Hsing;	Recusal is conducted in accordance with the conflict of interest provisions under the Securities and Exchange Act.	Recusal was carried out as required, and the remaining attending directors unanimously approved the motion without objections.

(3) Implementation of Evaluations of the Board of Directors

Cycle	Period	Method	Scope	Items	Scores
Once a year	2025/01/01 | 2025/12/31	Self-evaluation	Board Meeting	Level of participation in company operations	4.7
				The quality of Board decisions	4.9
				Board composition and structure	5.0
				Appointment of directors and their continuing education	4.9
				Internal controls	4.9
		Self-evaluation by members	Individual Director	Grasp of company targets and missions	5.0
				Understanding the responsibility of directors	5.0
				Level of participation in company operations	4.8
				Engagement in internal relationship and communication	5.0
				Profession and continuing education of directors	5.0
				Internal controls	5.0
			Audit Committee	Level of participation in company operations	5.0
				Understanding of responsibility	5.0
				Quality of decision	4.9
				Composition and appointment of members	5.0
				Internal controls	5.0
			Remuneration Committee	Level of participation in company operations	5.0
				Understanding of responsibility	5.0
				Quality of decision	5.0
				Composition and appointment of members	5.0
				Internal controls	5.0

Brief summary

a. After calculating the composite indices using a weighted average, all scores are above 4 points (with individual indices having a maximum of 5 points), indicating that the overall performance is good.

b. The above evaluation results were submitted to the 19th Meeting of 6th Board of Directors on March 27, 2026.

<table>
<tr><th>Evaluation Cycle</th><th>Evaluation Period</th><th>Evaluation Method</th><th>Evaluation Scope</th><th>Evaluation Criteria</th><th>Evaluation Results</th></tr>
<tr><td rowspan="10">Conducted once every three years</td><td rowspan="10">2024.05.26
|
2026.05.25</td><td rowspan="10">External evaluation</td><td rowspan="5">Board of Directors</td><td>Degree of participation in company operations</td><td rowspan="10">The overall evaluation results were excellent. The results were reported to the Board of Directors on January 28, 2026, and have been disclosed on the Company’s website.</td></tr>
<tr><td>Enhancement of the quality of board decision-making</td></tr>
<tr><td>Board composition and structure</td></tr>
<tr><td>Appointment of directors</td></tr>
<tr><td>Continuing education and internal control</td></tr>
<tr><td rowspan="5">Audit Committee
Remuneration Committee</td><td>Degree of participation in company operations</td></tr>
<tr><td>Understanding of the roles and responsibilities of functional committees</td></tr>
<tr><td>Enhancement of the quality of committee decision-making</td></tr>
<tr><td>Composition of functional committees</td></tr>
<tr><td>Member appointment and internal control</td></tr>
</table>

(4) Evaluation of the objectives and implementation of enhancing the board of directors' functions

a. The operation of the Company's board of directors adheres to the "Regulations Governing Board Meetings of Public Companies," and board meetings are convened accordingly to implement corporate governance and enhance information transparency, with good execution.

b. The Company announces significant board resolutions on the corporate website and has insured directors with liability insurance.

c. The Company arranges training courses for directors to ensure they receive the latest information, maintaining their professional advantages and capabilities.

2.3.2 Audit Committee

(1) In 2025, Audit Committee held 5 meetings, and the attendance of the independent directors was as follows:

Title	Name	Attended in Person	By Proxy	Attendance Rate	Remarks
Independent director	Wang, Hung-Chuan	5	0	100%	
	Jian, Han-Ru	5	0	100%	
	Tsai, Shuo-Chuan	4	1	80%	
a. On May 24, 2016, the Company established an Audit Committee to replace the responsi-bilities of the supervisors. b. There was a full re-election of the Audit Committee on May 28, 2025, in conjunction with the expiration of the directors' term of office. The term of the Audit Committee is aligned with that of the Board of Directors.					

(2) Operation

a. Matters listed in Article 14-5 of the Securities and Exchange Act

Date	Content of the proposal	Resolution	Company's response to the Committee
2025/03/05	1. Proposal for the Company's endorsement and guarantee provided for other companies 2. Proposal for loans of funds between the Company, its subsidiaries, and other companies 3. Proposal for the Company's 2024 Business Report and Financial Statements 4. Proposal for the Company's 2024 loss appropriation 5. Proposal for the Company's 2024 employee compensation and directors' remuneration 6. Proposal for the change of the Company's certified public accountants 7. Proposal for the evaluation of the independence of the Company's certified public accountants 8. Proposal for the assessment of the effectiveness of the Company's internal control system and the Internal Control System Statement for 2024 9. Proposal for the change of the Company's Chief Internal Auditor 10. Proposal for amendments to the Company's internal control system – Payroll Cycle 11. Proposal for amendments to the Company's Articles of Incorporation 12. Proposal for amendments to the Company's Rules of Procedure for Shareholders' Meetings 13. Proposal for the Company's 2025 "Policy for Pre-Approval of Non-Assurance Services Provided by Certified Public Accountants".	All members unanimously approved.	Submitted to the BOD and unanimously approved by all attending directors.
2025/05/02	1. Execution of the Company's Endorsement and Guarantee for Other Companies 2. Loans from the Company and Its Subsidiaries to Other Companies 3. The Company's 2024 First Quarter Consolidated Financial Statements 4. Amendment to the Lease Agreement for the Rolling Mill at the Company's Guantian Plant 5. Proposed Disposal of Real Property to a Related Party	All members unanimously approved.	
2025/05/28	1. Election of the Convener of the 4th Audit Committee	All members unanimously approved.	
2025/08/04	1.Authorization for the Chairman to Handle Bank Loan Matters 2.Loans from the Company and Its Subsidiaries to Other Companies 3.The Company's 2025 Second Quarter Consolidated Financial Statements 4.Change of the Company's Chief Internal Auditor 5.Amendment of the Company's Internal Control	All members unanimously approved.	

Date	Content of the proposal	Resolution	Company's response to the Committee
	"Information Cycle"		
2025/11/04	1.Loans from the Company and Its Subsidiaries to Other Companies 2.The Company's 2025 Third Quarter Consolidated Financial Statements 3.The 2026 Audit Plan 4.Amendment of the Company's Internal Policy "Risk Management Policy and Procedures"	All members unanimously approved.	

b. Aside from the aforementioned issues, other matters not approved by the audit committee but decided upon by the agreement of more than two-thirds of all directors are detailed in the following section, "Implementation of Independent Directors' Recusal from Conflict of Interest Issues.": None.

(3) Implementation of Independent Directors' Recusal from Conflict of Interest Issues: None

(4) Communication between the independent directors and the chief internal audit officer and the CPAs

Date	Attendees	Items	Result
2025/03/03	**<u>Independent directors</u>** Wei, Hu-Chean; Jian, Han-Ru; Tsai, Shuo-Chuan **<u>Deloitte & Touche</u>** CPA/ Manager/Anny Y. Tsai	1. Communication between the accountant and governance units on key audit matters. 2. Audit Quality Indicators (AQI) Report 3. Audit supervisor reports on the previous quarter's audit activities, results, and their follow-up status. 4. Audit supervisor reports on the implementation of the previous year's audit plan. 5. Assessment of the effectiveness of the internal control system and the internal control system statement.	All members unanimously approved.
2025/05/02	**<u>Independent directors</u>** Wei, Hu-Chean; Jian, Han-Ru	1. Audit supervisor reports on the previous quarter's audit activities, results, and their follow-up status.	
2025/08/04	**<u>Independent directors</u>** Wei, Hu-Chean; Jian, Han-Ru; Tsai, Shuo-Chuan	1. Audit supervisor reports on the previous quarter's audit activities, results, and their follow-up status.	
2025/11/04	**<u>Independent directors</u>** Wei, Hu-Chean; Jian, Han-Ru; Tsai, Shuo-Chuan; Wu, Fang-Yu	1. Audit supervisor reports on the third quarter's audit activities, results, and their follow-up status. 2. Audit supervisor reports on the audit plan for the following year.	

2.3.3 Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item		Implementation			Deviations and the reasons
		Y	N	Brief Summary	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?		ˇ		The Company has established a "Corporate Governance Code" that includes regulations for protecting shareholder rights, strengthening the board of directors' functions, enhancing the functions of various board committees, respecting the rights of stakeholders, and improving information transparency. For more information about the Company's Corporate Governance Code, please visit the Market Observation Post System or the Company's website.	No difference
2. Shareholding Structure and Shareholders' Rights	(1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	ˇ		The Company and its listed subsidiaries each have established systems such as a spokesperson system and related internal operating procedures, which can be followed by the staff handling the business. If shareholders have suggestions or disputes related to shareholder affairs, there are designated personnel and shareholder services agents in place to handle shareholder suggestions, queries, disputes, and litigation matters.	No difference
	(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	ˇ		The Company and its listed group subsidiaries comply with Article 25 of the Securities and Exchange Act, reporting monthly to the designated Market Observation Post System website any changes in shareholdings by insiders (directors, supervisors, managers, and shareholders holding more than 10% of the shares).	No difference
	(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	ˇ		The Company has established the "Regulations on Financial and Business Operations Among Related Parties," which clearly define the responsibilities for asset and financial management among related enterprises. These matters are handled in accordance with laws, regulations, and internal control procedures of each company.	No difference
	(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	ˇ		The Company has established the "Procedures for Handling Material Inside Information," which applies to the Company's directors, managers, and employees. It prohibits insiders from trading securities using non-public information available on the market.	No difference
3. Composition and responsibilities of the Board	(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	ˇ		The Company, following the reference example of director election procedures issued by the Taiwan Stock Exchange, has incorporated the concept of diversity into the director election method. The election of directors should consider two main aspects: basic qualification values and professional knowledge and skills. For information on the diversity of the Company's board members, please refer to the subsection "2.1.1 (5) Board Diversity."	No difference
	(2) Has the Company voluntarily established other functional	ˇ		The Company established a "Corporate Governance and Sustainability Development Committee" upon approval by the Board of Directors on November 12, 2025.	No difference

Evaluation item		Implementation Y	N	Brief Summary	Deviations and the reasons
	committees in addition to the remuneration committee and the audit committee?				
	(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	ˇ		1. The Company has established the "Board Performance Evaluation Procedures," which have been approved by the board of directors. These evaluations of the overall board, individual board members, and functional committees are conducted at least once a year to enhance the overall performance of the board. The most recent (2025) board performance evaluation results were satisfactory, and the results have been reported to the board for reference in future director selection or nomination processes. For more information, please refer to "2.3.1 (3) Implementation of Board Evaluation." 2. Director Compensation: The Company provides directors with a fixed allowance for travel and accommodation expenses only and does not offer variable compensation.	No difference
	(4) Does the Company regularly evaluate its external auditors' independence?	ˇ		1. The Company's Audit Committee annually assesses the independence and suitability of the appointed auditors, requiring auditors to provide an "Independence Declaration" and AQIs. The evaluation is based on 13 AQI indicators (Note 1). It is confirmed that apart from the auditing and financial/taxation fees, the auditors have no other financial interests or business relationships with the Company. The family members of the auditors also meet the independence requirements. 2. The Company presents the annual independence evaluation data for resolution by the Board. The evaluation results for the past two years were reported to the Board of Directors on March 11, 2025, and March 27, 2026, respectively.	No difference
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (includ-ing but not limited to providing infor-mation necessary for directors and super-visors to perform their duties, aiding di-rectors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?		ˇ		1. The Company has established a "Corporate Governance Unit" as the planning unit for corporate governance and integrity management, appointing Vice President Zhang Shu-fen from the General Manager's office as the "Corporate Governance Officer." She has over three years of experience in shareholder services management at public companies, meeting the qualifications for the position. 2. The Corporate Governance Officer handles corporate governance matters in accordance with the "Key Points on the Establishment and Exercise of Powers by Boards of Directors of Listed Companies" stipulated by the Taiwan Stock Exchange Corporation. The officer reports the execution status to the board of directors at least once a year, with the most recent report presented at the 3rd time of 19th Board Meeting on November 12, 2025. 3. The progress of corporate governance activities in 2025 includes:	No difference

Evaluation item		Implementation Y	Implementation N	Implementation Brief Summary	Deviations and the reasons
				a. Legally conducting board and shareholder meetings and related matters. b. Coordinating a 6-credit "in-house training" course for board members to assist directors with their appointment and ongoing education. c. Purchasing appropriate "Directors and Officers (D&O) Liability Insurance." d. In 2025, attending 4 corporate briefings and reporting on operational performance to investors at these events.	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to sharehold-ers, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?		ˇ		The Company and its listed group subsidiaries maintain good communication with investors, employees, suppliers, and customers through labor-management meetings, procurement, finance, and other specialized units. We have also established a "Stakeholder Section" on the Company website to appropriately respond to important corporate social responsibility issues that concern our stakeholders. Contact points include various plant areas, investor relations, procurement, business services, a corporate social responsibility email, an ethics reporting email, contact persons, and contact telephone numbers.	No difference
6. Has the Company appointed a profes-sion-al shareholder services agent to handle matters related to its shareholder meetings?		ˇ		The detail about the professional Securities Transfer Agency is as follows: Inst.: Securities Transfer Dept., President Securities Corporation Address: 1F, No.8, Dongxing Rd., Songshan District, Taipei City Tel: 886-2-27463797 Website: www.pscnet.com.tw	No difference
7. Information Disclosure	(1) Has the Company established a corpo-rate website to disclose information re-garding its financials, business, and corporate governance status?	ˇ		The Company and its subsidiary, Château Co., Ltd., have both established company websites, and to disclose the related information, the linkage to TWSE MOPS has been set up.	No difference
	(2) Does the Company use other infor-mation disclosure channels (e.g., main-taining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference etc.)?	ˇ		The Company and its listed group subsidiaries have established websites in both Chinese and English, designated personnel responsible for the collection and disclosure of company information, implemented a spokesperson system, and placed corporate briefing materials on the Company website: 1. Websites are set up in Traditional Chinese, English, and Simplified Chinese, and are updated simultaneously when information is released, ensuring that both domestic and international investors can access the latest news. 2. A spokesperson system is in place, allowing investors to express their opinions and learn about the Company's operations through exclusive phone lines, email, or fax for the spokesperson.	No difference
	(3) Does the Company publish and report its annual financial report within two months after the end of		ˇ	1. The Company's annual financial report and the first, second, and third quarter financial reports have all been submitted within the prescribed time frame. Due to the need to compile consolidated financial statements, early announcements cannot be made, but this has been	The Company is not yet able to announce the

Evaluation item		Implementation Y	Implementation N	Brief Summary	Deviations and the reasons
	the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?			included as a corporate governance goal. 2. The subsidiary company's annual financial report and the first, second, and third quarter financial reports have all been submitted within the prescribed time frame.	annual financial report ahead of schedule, but it has been included as a goal in our corporate governance efforts.
8. Has the Company disclosed other infor-mation to facilitate a better understand-ing of its corporate governance practices (including but not limited to employee rights, employee wellness, investor rela-tions, supplier relations, rights of stake-holders, directors' and supervisors' con-tinuing education, the implementation of risk management policies and risk evalu-ation standards, the implementation of customer relations policies, and purchas-ing liability insurance for directors and supervisors)?		ˇ		1. Employee's Rights: The Company aims to establish a workplace that enables employees to contribute themselves, respect individual rights of employees, and seek happiness for employees. The Company's personnel matters are addressed by the management rule in accordance with related law such as Labor Standards Act, collective bargaining agreement, and the Company's work rules. 2. Employee care: The Company offers multiple channels for employees to express their ideas, encourage participation, cand create smooth two-way communication channels. 3. Investor Relations: The Company actively ensures the complete exercise of shareholders' rights including the right to elect members of the board; the right to freely transfer shares; the right to relevant and material information about the Company; the right to share in the Company's profits; and the right to participate the general shareholders' meeting and pro-tects the above shareholders' rights. In the meantime, it also secures the equity registration and transfer. 4. Supplier Relations: The Company requires suppliers to comply with code of conduct re-lated to corporate responsibility or meet the requirement to certain extent. The require-ments include best practice for employees and employment, safety and health, work ethics, and environmental protection, etc. 5. Stakeholders' rights: In addition to defining the social responsibility of the Company and its stakeholders as its economic responsibility, as the corporations' impact become more profound, it has to be set out to require corporations to operate business subject to legal responsibility and ethical responsibility. 5.1 Contingent to situations, the Company designates dedicated people from departments including Spokesman office, stock affairs, administration to communicate with stakeholders and the contact information of the Spokesman is available on company website. 5.2 "The Code of Ethical Conduct" is defined by the Company and disclosed on company website to guide the Company's directors, supervisors, and managers to comply with the	No difference

Evaluation item	Implementation			Deviations and the reasons
	Y	N	Brief Summary	
			code, which also gives stakeholders better insights into the Company's ethical standards. 5.3 "The Procedures of Handling Material inside Information" is specially formulated to establish sound mechanisms for the handling and disclosure of material inside information by the Company, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by the Company to the public. It is also disclosed on company website to guide directors, supervisors, managers, and all employees to comply with the procedures. 6. Director Training: The Company organizes a 6-credit "in-house training" course annually for board members. For more information, please refer to section 3.4.8. 7. Implementation of Risk Management Policies and Risk Evaluation: The Company is committed to the business management and development in the business scope. It does not make high-risk or high-leveraged investment. Except for the purpose of hedging, it does not engage in derivative investment as much as possible. The parties that the Company lends its fund to and provides endorsement or guarantee to have been properly evaluated, and the related procedures have been formulated in the internal control system; the implementation is evaluated in through internal audit system, and the results are good. In addition, please refer to section 5.7. 8. Implementation of Customer Policy: "Consistently providing products that meet customer needs" is the Company's commitment to customers. Through in-depth customer service, not only can we understand customer needs, but we also strive to offer high-quality products and professional services that meet or exceed customer expectations. The current implementation is going well, with the goal of becoming a long-term partner in our customers' businesses and achieving mutual success. 9. Situation of purchasing liability insurance for directors: To reduce and diversify the liability for compensation that directors and key officers legally bear within the scope of their duties during their term, the Company has completed the purchase of liability insurance, which was reported to the board of directors on November 12, 2025.	

Evaluation item	Implementation			Deviations and the reasons
	Y	N	Brief Summary	

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)

Explanatory note

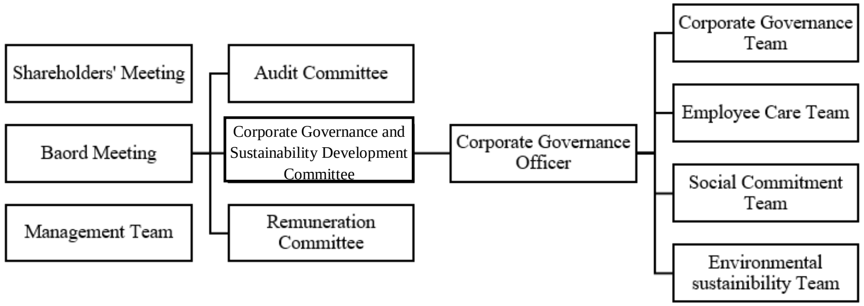
1. Result: The Company ranked within the 51% to 65% range in the 11^{th} evaluation.
2. Action for improvement: To enhance the performance of corporate governance, the improvement in 2025 is as follows:

Item	Indicator	Improvement
2.23	Does the Company have regulations governing the evaluation of the Board of Directors' performance approved by the Board of Directors, stipulating that an external evaluation shall be conducted at least once every three years, and has such evaluation been conducted in the current or the preceding two years, with the implementation status and results disclosed on the Company's website or in the annual report?	In December 2025, the Company engaged Chain Management Consulting Co., Ltd. to conduct performance evaluations of the Board of Directors, individual directors, and functional committees, and the evaluation report has been disclosed on the Company's website.
3.18	Does the company establish an English website containing financial, business, and corporate governance-related information?	Quarterly English financial statements have been uploaded to the Company website since 2024, with other information disclosed accordingly.
4.11	Does the Company disclose its water consumption and total waste generation for the past two years?	Such information has been disclosed on the Company's website.
4.18	Does the Company disclose information on climate-related risks and opportunities, including governance, strategy, risk management, metrics, and targets, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)?	Such information has been disclosed on the Company's website.

Note 1: Evaluation for Independence of CPA

Evaluation Item	**Result**	**Passed Independence Evaluation**
CPA has no direct or indirect major financial stake in the Corporation.	No	Yes
CPA is not involved in any financing or financial guarantee agreements involving the Corporation or Corporation directors.	No	Yes
CPA does not have any potential employment relationship with the Corporation	No	Yes
CPA and members of the audit team are not currently serving as Corporation directors, managers, or in positions that have major impact on Corporation audits, and have not done so over the past 2 years.	No	Yes
Non-audit services provided by CPA to the Corporation have no direct impact on the major items of audit services provided.	No	Yes
CPA does not promote or sell shares or other securities issued by the Corporation.	No	Yes
CPA is not representing the Corporation in litigation of a third party or other disputes	No	Yes
CPA and members of the audit team have no familial relationships with directors, managers, or people in positions that have major impact on Corporation audits at the Corporation.	No	Yes

Note2: The Company's Corporate Governance Structure



2.3.4 Remuneration Committee

(1) Composition

Title	Criteria Name	Professional qualifications & experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent director (Convener)	Wang, Hung-Chuan	Please refer to section 2.1.1		1
Independent director	Jian, Han-Ru			1
Independent director	Tsai, Shuo-Chuan			-

(2) Operation

a. The Company’s remuneration committee has a total of 3 members.

b. The term of the current members is from May 28 2025 to May 27 2028. The number of remuneration committee meetings held in the most recent fiscal year was 3. The attendance by the members was as follows:

Title	Name	In Person	By Proxy	Attendance Rate	Remarks
Convenor	Wang, Hung-Chuan	3	0	100	
Member	Jian, Han-Ru	3	0	100	
Member	Tsai, Shuo-Chuan	3	0	100	Took office on May 30, 2024.
Other information required to be disclosed: 1、If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None. 2、With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members’ opinion: None.					

(3) Remuneration Committee Review

Date	Content of the proposal	Resolution	Company’s response to the Committee
2025/03/03 The 5th Term The 8th Time	1. Review the Company's remuneration for director, supervisor, president, vice president, and managers for the year 2024. 2. Review the Company's employee remuneration and director and supervisor remuneration distribution for the year 2024. 3. Review the monthly salary for director and managers for the year 2025.	All members unanimously approved.	Submitted to the board of directors and unanimously approved by all attending directors.
2025/05/28 The 6th Term The 1st Time	1. Review the nomination of the convener of the 6th Remuneration Committee of the Company.		
2025/11/04 The 6th Term The 2nd Time	1. Review the Company's year-end bonus for the managers for the year 2025.		

2.3.5 Sustainable Development and Climate-Related Information

(1) Implementation and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item		Implementation			Deviations and the Reasons
		Y	**N**	**Brief summary**	
Has the Company established a governance frame-work for promoting sustainable develop-ment, and established an exclusively (or concur-rently) dedicated unit to be in charge of promot-ing sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?		ˇ		1. The governance structure of the Company's sustainable development: In accordance with the vision and mission of the Company's ESG policy, the "Corporate Governance and Sustainability Committee" has been established. Please refer to page 21 for details. 2. Organizational execution: The committee convenes review meetings quarterly, and at the end of the year, the corporate governance officer reports to the board of directors on the execution results and future work plans. In the most recent year, the corporate governance officer reported the execution situation to the board of directors on November 12, 2025, including management policy, strategy and goal setting, and review measures. 3. Board of directors' supervision: The board of directors regularly reviews the progress of the Company's strategies and goals and urges the Company to adjust its direction as necessary to meet stakeholder expectations and align with international standards.	No deviation
Does the Company conduct risk assessments of ESG issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?		ˇ		The "Risk Management Policy and Procedures" of the Company were approved and implemented by the 17th board of directors at its 10th meeting on November 11, 2020. The risk assessment boundary covers the subsidiaries of the Company. Based on the principle of materiality, the Company conducts risk assessments on environmental, social, and corporate governance issues related to company operations and establishes relevant risk management policies. For details, see Note 1.	No deviation
Environmental Issues	(1) Has the Company set an environmental manage-ment system designed to industry characteristics?	ˇ		In addition to complying with regulatory requirements, the Company has established a dedicated environmental protection unit, approved by the Environmental Protection Bureau, to perform environmental maintenance tasks. The operational status is integrated into system monitoring to ensure effective control and emergency response. Additionally, by enhancing process design and improving equipment through technology, we aim to reduce raw material and energy consumption, minimize pollution emissions from the source, and thereby lower operational costs and lessen environmental impacts.	No deviation
	(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	ˇ		The Company has long been committed to improving energy efficiency in various aspects. On the proactive side, this includes seeking to maximize resource efficiency. On the passive side, it involves promoting waste reduction activities and seeking the recycling and reuse of various offcuts and remnants. According to the baseline year, promotion measures, targets and achievement status please refer to p.39.	No deviation
	(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	ˇ		The Company, in response to the current and future potential risks and opportunities posed by climate change, has established a climate risk and opportunity scenario PDCA cycle management based on the Task Force on Climate-related Financial Disclosures (TCFD) framework. For detailed information, please refer to "2.3.5 (2) Implementation of Climate-Related Information."	No deviation
Environmental	(4) Did the Company collect	ˇ		1. Greenhouse Gases: Please refer to "2.3.5 (3) Greenhouse Gas Assurance Information."	No deviation

Evaluation item		Implementation Y	Implementation N	Implementation Brief summary	Deviations and the Reasons
Issues	data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?			2. Water Usage: To reduce water usage, the Guantian plant planned a recycled water efficiency of over 95% monthly, achieving 97.86% in 2024 and an average of 97.82% in 2025. The processing plant has further planned and implemented sustainable water resource use, aiming to enhance water efficiency and achieve zero wastewater discharge. 3. Total Waste Weight: The Company's Madou and processing plants did not generate hazardous waste. In 2025, the total non-hazardous waste generated was 2,467.388 tons (including general waste, non-hazardous oil sludge, waste oil mixtures, waste acids, etc.). With the strategy of "Total Waste Reduction" and "Waste Resource Recovery," through process technology improvements and raw material reduction, waste in the plant is properly decomposed and classified for recycling. Domestic waste in the processing plant was reduced from 66 tons in 2017 to 35.23 tons in 2025. Continued waste reduction efforts not only minimize environmental pollution but also actively reduce total waste. 4. Energy Saving and Carbon Reduction: In July 2019, the Guantian plant passed the environmental assessment for switching from low-sulfur fuel oil to natural gas for its heating furnace. After completing the conversion project and related environmental permits in 2021, natural gas began to be used. By using clean fuel natural gas, the plant aims to enhance product quality and replace clean energy, reduce the types (such as particulate matter (Par.), sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), volatile organic compounds (VOCs), etc.) and emissions of air pollutants, thereby improving the air quality in the surrounding area and fulfilling the Company's environmental responsibility.	
Social Issues	(1) Has the Company formulated relevant man-age-ment policies and procedures in accordance with relevant laws and regulations and interna-tional human rights conventions?	ˇ		The Company adheres to the principles and spirit set forth in the "Universal Declaration of Human Rights," the "United Nations Global Compact," and the "ILO Declaration on Fundamental Principles and Rights at Work," ensuring fairness and respect for employees and subcontractor personnel, and eliminating any actions that infringe or violate human rights. The Company conducts human rights due diligence to identify relevant issues and adopts preventive and mitigation measures, which are implemented in various management systems and enhanced through training to strengthen employees' understanding of human rights protection. The policies include: 1. Compliance with local regulations and international standards: Adhering to local laws and supporting and respecting international labor and human rights norms, including the ILO Tripartite Declaration of Principles and the Universal Declaration of Human Rights. 2. Labor rights: Labor contracts signed with each employee comply with local regulations. 3. No forced labor: Employment relationships are established legally through labor contracts based on mutual consent, prohibiting forced labor. 4. Child labor: The Company does not employ child labor under 16 years of age in accordance with the law. 5. Working hours: Each employee's working hours and leave system comply with local legal standards. 6. Humane treatment: Prohibiting cruel and inhumane treatment of employees, including any form of sexual harassment, corporal punishment, mental or physical oppression. 7. Anti-discrimination: The Company prohibits any tangible or intangible sexual harassment and discrimination in the workplace. It is explicitly stated that race, gender, age, marital status, political stance, or religious belief are not criteria for employment, assessment, or promotion.	No deviation

<table>
<tr><th colspan="2" rowspan="2">Evaluation item</th><th colspan="3">Implementation</th><th rowspan="2">Deviations and the Reasons</th></tr>
<tr><th>Y</th><th>N</th><th>Brief summary</th></tr>
<tr><td></td><td></td><td></td><td></td><td>8. Human rights education and training for 2025:
<table>
<tr><th>No.</th><th>Date</th><th>Host</th><th>Course title</th><th>Hour</th></tr>
<tr><td>1</td><td>2025.04.15</td><td>Labor Affairs Bureau of Tainan City Government</td><td>Seminar on Key Provisions of the Labor Standards Act</td><td>4</td></tr>
<tr><td>2</td><td>2025.06.30</td><td>Guantian Industrial Park Manufacturers Association</td><td>Training on Labor Conditions and Occupational Safety and Health</td><td>3</td></tr>
<tr><td>3</td><td>2025.09.03</td><td>Labor Affairs Bureau of Tainan City Government</td><td>2025 Labor Standards Act Briefing and Awareness Seminar</td><td>16</td></tr>
</table></td><td></td></tr>
<tr><td></td><td>(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary or compensation?</td><td>ˇ</td><td></td><td>1. The Company's performance or results are appropriately reflected in employee compensation: Article 27 of the Articles of Incorporation stipulates, "If the Company is profitable for the year, at least 1% shall be allocated for employee compensation, of which no less than 60% shall be distributed to grassroots employees, to be distributed in stocks or cash by resolution of the Board of Directors, including employees of certain subsidiaries who meet specific criteria."
2. Workplace diversity and equality: Achieving equal pay for equal work and equal promotion opportunities for men and women. Female managers make up over 20% of the Company's department heads.</td><td>No deviation</td></tr>
<tr><td></td><td>(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?</td><td>ˇ</td><td></td><td>1. The Company strives to provide a safe and healthy work environment for employees and regularly conducts safety and health education for them. For more information, please refer to "4.5.1 (4) Work Environment, Employee Personal Safety, and Personal Information Protection Measures." In the past two years, the Company's occupational safety education, training, and promotion include the following:
<table>
<tr><th>Year</th><th>Training (people-session)</th><th>Training (people-hour)</th></tr>
<tr><td>2024</td><td>145</td><td>336</td></tr>
<tr><td>2025</td><td>163</td><td>409</td></tr>
</table>
2. The processing plant had a disability injury frequency of 12.53 in 2025, compared to 4.89 in 2024; the Madou plant had a disability injury frequency of 114.41 in 2025, and 27.56 in 2024. The processing plant will strive to reduce the frequency and number of occupational injuries, aiming to achieve a disability injury frequency below 10. Although the Madou plant has improved compared to 2024, the goal of reducing the disability injury frequency to below 10 has not been met; there were 6 occupational injury cases involving 6 people (0.02% of the total number of employees at the end of 2025), which has not yet achieved the target of zero cases.
3. As of the end of 2025 and up to the date of the publication of the annual report, there have been no fire incidents in the Company.</td><td>No deviation</td></tr>
</table>

Evaluation item		Implementation Y	N	Brief summary	Deviations and the Reasons
Social Issues	(4) Has the Company established effective career development training programs for employees?	ˇ		Operating well, please refer to page 27 of the Company's "2025 Sustainability Report".	No deviation
	(5) Does the Company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	ˇ		1. The EU passed the WEEE and RoHS directives in 2003, initiating requirements on prohibited substances in products. The Company's commitment to product quality extends not only to direct users but also considers the rights of end consumers. The operation is running well; please refer to the Company governance operation description for more information. 2. The Company identifies its customers as stakeholders and has established management procedures for privacy protection and implemented them effectively. Simultaneously, the company communicates well through its business channels and has established a customer complaint system to safeguard customer rights. And its subsidiaries have established policies and complaint procedures to protect consumer rights.	No deviation
	(6) Has the Company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	ˇ		1. The Company views suppliers as important partners and aims to establish a mutually beneficial and long-term cooperative relationship with them. In addition to considering the quality, delivery time, and price of suppliers' products, the Company manages suppliers based on the "Supplier Corporate Social Responsibility Management Standard" formulated for the steel industry. We expect our suppliers to fulfill their corporate social responsibilities in ethics, labor rights, environment, health and safety, and management systems, and to implement effective risk management and operational continuity plans. 2. Since 2010, we have been conducting corporate social responsibility risk assessments for suppliers and further managing those suppliers identified as medium-high and high risk based on assessment results. The number of suppliers undergoing corporate social responsibility risk assessments has increased from 300 in 2015 to 310 in 2016, 312 in 2017, and 330 in 2024, with a cumulative total of 97 audited suppliers by 2025.We continue to audit suppliers annually. New suppliers are risk-assessed based on social, economic, environmental, and supply chain criteria before being selected as official suppliers. 3. In 2025, the number of complaints raised through the formal supplier complaint mechanism was zero, indicating good cooperation and communication with suppliers. We are continuously progressing towards creating a stable, win-win sustainable supply chain.	No deviation
Does the Company refer to international reporting standards or guidelines when preparing its sus-tainability report and other reports disclosing non-financial information? Does the Company obtain third party assurance or certification for the reports above?		ˇ		1. The Company prepares sustainability reports and other non-financial information disclosure reports in accordance with the GRI (Global Reporting Initiative) standards issued by the Global Sustainability Reporting Association, and these are disclosed on the Company's website. 2. Whether the report has received assurance or verification opinions from third-party verification entities will be implemented in accordance with regulatory procedures.	No deviation
If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company’s operations: No deviation.					
Other important information to facilitate better understanding of the Company’s promotion of sustainable development: Please refer to the sustainability report or the sustainability-					

Evaluation item	Implementation			Deviations and the Reasons
	Y	N	Brief summary	
related information on the Company website.				

Note 1: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

Issues	**Risk Assessment Items**	**Explanations**
Environment	Environmental Impact and Management	1. By implementing process safety management and institutionalized management cycle, we effectively reduce pollution emissions and environmental impact. 2. The TCFD framework is used to build the Company's climate risk identification process. As a result of the interdepartmental discussion on climate risks and opportunities, a total of 9 opportunities and 6 risks were identified. 3. We have completed the product lifecycle, carbon footprint and water footprint assessment of all our plants and subsidiaries for 2021, and obtained ISO 14064 certification. 4. We have conducted regular inventory of greenhouse gas emissions in accordance with ISO 14064-1 to review the impact on company operations. Based on the results of the carbon inventory, we continue to implement carbon reduction measures to effectively reduce the risk of Scope 1 emissions and indirect Scope 2 greenhouse gas emissions caused by electricity use.
Society	Occupational Safety	1. In 2020, all factories and subsidiaries completed the ISO 45001 Occupational Health and Safety Management System certification. 2. Fire drills and industrial safety education training are held regularly every year to develop employees' emergency response and self-safety management skills.
	Product Safety	1. Our products comply with all the laws and regulations regulated by the government and are free from any hazardous substances. The Company has set up a customer service hotline and communication website to ensure the quality of customer service. In addition, we conduct regular customer service satisfaction surveys to strengthen the cooperation with customers.
Corporate Governance	Legal Compliance	1. Through the establishment of a governance organization and the implementation of internal control mechanisms, the Company ensures that all employees and operations comply with the relevant laws and regulations. 2. We will update the relevant regulatory information from time to time and inform our colleagues to follow it.
	Strengthen Directors' Functions	1. We plan for the directors' education issues and provide them with the latest regulations, institutional development and policies every year. 2. Directors' liability insurance is provided to protect directors against lawsuits or claims.
	Stakeholder Communication	1. The Company annually assesses major stakeholders and their key concerns to mitigate potential operational or litigation risks arising from differing perspectives. 2. Establish various communication channels and actively communicate to reduce confrontation and misunderstanding. Set up a mailbox for investors, and a spokesperson will handle and respond to them.

(2) Implementation of Climate-Related Information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>The board of directors is the highest governing body for climate issues in the Company. The Climate Change Response Team regularly reports to the board of directors each year on the status of climate change response. The corporate governance officer is responsible for the Climate Change Response Team, establishing mechanisms to identify climate change risks and opportunities for the Company, response strategies, and various management objectives, thereby effectively managing climate risks.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</td><td>
<table>
<tr><th>Risk/ Opportunity</th><th>Short-term (1 to 3 year)</th><th>Mid-term (3 to 6 year)</th><th>Long-term(up to 6 year)</th></tr>
<tr><td>Transition risks</td><td>◆ To cope with emerging regulations related to carbon fees (such as CBAM) that require the payment of carbon fees, thereby increasing operational costs.
◆ Stricter environmental regulations.</td><td>◆ Tightening regulations on renewable energy.
◆ Products being replaced by low-carbon alternatives.
◆ Insufficient climate action leading to a decline in brand reputation.</td><td>◆ Trend toward net-zero emissions.</td></tr>
<tr><td>Physical risks</td><td>◆ Increased frequency of extreme weather events (droughts, floods).</td><td>◆ Supply chain disruptions caused by changes in weather patterns.</td><td>◆ Global warming causing an increase in average temperatures.</td></tr>
<tr><td>Opportunity</td><td>◆ Reduction in water resource usage.
◆ Research and innovation of new products and services.</td><td>◆ Enhancing resource use efficiency.
◆ Promoting low-carbon green production.</td><td>◆ Enhancing corporate reputation.</td></tr>
</table>
Response Strategies
<table>
<tr><th>Risk/Opportunity</th><th>Financial Impact</th><th>Response Strategies</th></tr>
<tr><td>Transformation Risks
◆ Carbon tax and carbon fee levies for greenhouse gas emissions.
◆ New regulations on renewable energy.</td><td>◆ Increased operating costs due to carbon fee payments.
◆ Fines for non-compliance with regulations, leading to increased operating expenses.</td><td>◆ 2050 net-zero emissions trend and key strategic action plans.</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>
<table>
<tr><td>◆ The trend toward net-zero emissions.</td><td></td><td></td></tr>
<tr><td>Physical Risks
◆ Increased frequency of extreme weather (droughts, floods).
◆ Supply chain disruptions.
◆ Rising average temperatures.
◆ Improving resource efficiency.</td><td>◆ Revenue loss due to operational shutdowns.
◆ Property damage from machinery failure, leading to asset losses.
◆ Increased raw material prices, leading to higher operating costs.
◆ Reduced product output, leading to revenue declines.</td><td>◆ Extreme weather response measures.
◆ Development of alternative raw materials.
◆ Searching for alternative suppliers.
◆ Use of renewable energy.
◆ Purchase of energy-efficient equipment.</td></tr>
</table>
</td></tr>
<tr><td>3. Describe the financial impact of extreme weather events and transformative actions.</td><td>(1) Financial impact of extreme climate events: Extreme climate events, such as floods, droughts, storms, and high temperatures, can have direct and indirect impacts on corporate finances. Direct impacts include asset loss, supply chain disruptions, operational delays or shutdowns, and increased insurance costs. Indirect impacts may involve changes in market demand, shifts in consumer preferences, and reductions in ecosystem services, all of which can affect a company's revenue and cost structure.
(2) Financial impact of extreme climate events: Extreme climate events, such as floods, droughts, storms, and high temperatures, can have direct and indirect impacts on corporate finances. Direct impacts include asset loss, supply chain disruptions, operational delays or shutdowns, and increased insurance costs. Indirect impacts may involve changes in market demand, shifts in consumer preferences, and reductions in ecosystem services, all of which can affect a company's revenue and cost structure.</td></tr>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>(1) Incorporate "climate risk" into the Enterprise Risk Management (ERM) process.
(2) The Climate Change Response Team, consisting of the Production, Management, and Finance departments, establishes cross-departmental collaboration to implement value chain climate management.
(3) The Climate Change Response Team completes the identification of related risks/opportunities by the end of November each year, assesses financial impacts, formulates response strategies, integrates them with the Company's annual budget planning, and reports the execution status for the current year and the implementation plan for the next year to the board of directors.</td></tr>
</table>

Item	Implementation status
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Scenario analysis has not yet been used to assess resilience to climate change risks.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	(1) Establish climate-related performance indicators and quantitative targets in accordance with extreme climate response strategies, regularly track the degree of achievement, and transparently disclose them externally. (2) Considering industry characteristics, identify risk factors, optimize the assessment of climate risks and opportunities, and through communication and consultation, study their potential impacts and effects. Finally, focus on 7 major climate risks and the derived opportunities, and plan specific response strategies and measures as follows: a. Water Resources: Due to climate change and the relative reduction in water resources, plan for the sustainable use of water resources to enhance the efficiency of water usage, aiming to achieve the goal of zero wastewater discharge. b. Air Pollution: In addition to the original steel rolling mill being designed and constructed using the Best Available Control Technology (BACT), the screw factory under construction also formulates various air pollution control measures based on the characteristics of its emissions. Initially, appropriate collection equipment is arranged according to each process equipment to reduce dispersion. Then, recycling equipment and air pollution control equipment are set up to reduce emissions and strengthen environmental protection treatment facilities to avoid polluting water, air, and land environments. c. Enhancing Pollution Prevention and Control Technology: Utilize external experts to improve environmental protection technology. By upgrading process design and improving equipment, reduce the use of raw materials and energy, try to reduce pollution emissions from the source, effectively lower adverse production impacts, and adopt the best feasible protective measures to reduce operating costs, resource consumption, and environmental impact. d. Greenhouse Gas Emission Inventory and Reduction: Proactively disclose greenhouse gas management information for stakeholders' reference. In addition to registering on the Environmental Protection Agency's platform, it is also disclosed in the corporate sustainability report. e. Total Waste Weight: Adopt "waste total reduction" and "waste resource utilization" as strategies. Through process technology improvement, raw material reduction, and other source management measures, reduce environmental pollution and actively decrease the total amount of waste.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing has not yet been used as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	(1) Acquisition of carbon rights, product carbon footprint, and carbon reduction performance: Integrated into the Company's carbon reduction strategy planning and promoted accordingly to reduce the impact of the Company's operations on climate change. (2) Energy substitution and renewable energy installation: To enhance product quality and clean energy substitution, the original steel rolling mill uses clean fuel natural gas instead of the more polluting low-sulfur fuel oil to reduce the types and emissions of air pollutants. Solar energy systems are also installed on the factory roofs to improve the air quality in the surrounding areas and fulfill the corporate responsibility for environmental maintenance.

Item	Implementation status
9. Greenhouse gas inventory and assurance status	Please see the following table.

(3) Greenhouse Gas Assurance Information

Boundary	Scope	Total emissions (Metric tonnes CO_2e)		Intensity (Metric tonnes CO_2e / NT$ million)		Assurance Institution	Description of assurance
		2025	2024	2025	2024		
The Company	1	1,694.1542	2,852.1790	0.6196	1.0753	Deloitte & Touche	For the fiscal year 2024, only assessment was conducted without assurance. For the fiscal year 2025, complete assurance information will be disclosed in the sustainability report.
	2	15,178.9213	16,776.7953	5.5515	6.3253		
	3	-	-		-		
	Subtotal	16,873.0755	19,628.9743	6.1711	7.4006		
Subsiaies	1	704.6935	873.6947	1.24	1.38		
	2	4,545.3633		7.99			
	3	-					
	Subtotal	5,250.0568		9.22			
Total		22,123.1323	25,152.2009	15.3911	16.1506		

Note 1: The risk assessment boundary for the subsiaies for the year 2024 does not include its own subsidiary, Château Real Estate Development Co., Ltd.

Note 2: Assurance of the greenhouse gas inventory for the subsiaies has not yet been completed.

(4) Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan:

The Company set 2023 as the baseline year, which was also the first year the Company conducted greenhouse gas inventory in response to the requirements of the Financial Supervisory Commission. Future baseline years will be set and adjusted according to the Company’s needs and relevant national policies. The baseline year’s recalculation conditions include changes in the organization due to mergers, acquisitions, disposals, outsourcing, or in-house production, as well as changes in emission sources which require recalculating the baseline year emissions. If the emission calculation method changes and causes a variance exceeding the significance threshold of 3%, the baseline year emissions will also be recalculated. The baseline year inventory will be recalculated under the following circumstances:

1. Structural changes in the organization.
2. Changes in operational boundaries.
3. Ownership or control of greenhouse gas emission sources or sinks shifts in or out of the organizational boundary, or changes in quantification methods leading to significant changes in emissions, with a significance threshold of 3%.
4. Other international or relevant regulatory standards require recalculation.

The Company’s reduction targets, strategies, and specific actions are implemented through greenhouse gas inventory management. By utilizing the inventory process and results, the Company effectively monitors and controls its greenhouse gas emissions, improving the efficiency of subsequent emission reduction actions. The Company also aims to actively engage in greenhouse gas reduction efforts in the future, contributing to mitigating global warming trends and fulfilling its responsibility as a member of the global community. The Company’s greenhouse gas management strategies include:

1. Compliance with government environmental policies for greenhouse gas inventory and reporting.
2. Replacing heavy oil with cleaner fuels (natural gas).
3. Recovering and utilizing process heat.
4. Installation of solar energy systems.
5. Management and replacement of factory lighting.

The Company has implemented energy-saving measures for several years, and despite no significant reduction trend in greenhouse gas emissions in statistical terms, it has begun upgrading equipment such as replacing outdated electric motors with high-efficiency motors to achieve energy savings. In production, the Company adjusts production processes to reduce waste generation; in terms of fuel, it controls the optimal air-fuel ratio and reuses heat sources, moving toward green production. These actions will reduce the contribution to greenhouse gas emissions and are expected to reduce emissions by 1% annually compared to the previous year. The budget and plans for emissions reduction include:

1. Adjusting production procedures.
2. Implementing energy-saving measures in the factory.
3. Replacing lighting with energy-efficient or LED lighting.
4. Replacing old motors with more efficient ones.

2.3.6 Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item		Implementation			Deviations and the Reasons
		Y	N	Brief Summary	
Establishment of ethical corporate management policies and programs.	(1) Does the Company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top manage-ment team?	ˇ		The Company has formulated, and the Board has already approved the "Code of Ethical Conduct", "Code of Ethical Management" and "Eth-ical Management Procedures and Behavior Guidelines" based on the ethical management concept, and has disclosed the content of this code on the Company website to guide the directors and supervisors, and managers to meet the ethical standards of behaviors.	No deviation
	(2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evalu-ates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	ˇ		1. The Company specifies the operating procedures, behavior guide-lines, punishment and appeal system for violations in the "Code of Conduct for Violation of the Code of Ethical Management," and implements them. 2. The Company formulates preventive measures in Article 5 of the "Ethical Business Procedures and Behavior Guidelines".	No deviation
	(3) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	ˇ		In the "Code of Conduct for Violation of the Ethical Management Code", the Company has specified operating procedures, behavior guidelines, punishment and appeal systems for violations, implemented them, and regularly review the plan as mentioned.	No deviation
Ethical Management Practice	(1) Does the Company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	ˇ		It has implemented in accordance with Article 20 and Article 23 of the Company's "Ethical Management Operating Procedures and Behavior Guidelines."	No deviation
	(2) Has the Company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	ˇ		The Company's Administration Dept. is specifically responsible for handling complaints related to "violations of ethical business practices and disciplinary actions." This dedicated unit reports the implementation status to the board of directors at least once a year: There were 0 internal and external whistleblowing cases in 2025. The corporate governance officer has reported the implementation on Nov. 12, 2025. 1. Education and training: planning internal and external training courses related to regulations, inspections, risk management and corporate governance to ensure that company operations and related systems meet the relevant requirements of	No deviation

Evaluation item		Implementation			Deviations and the Reasons
		Y	N	Brief Summary	
				laws and regulations. There are a total of 7 training courses in 2025. 2. Laws and regulations publicity: The dedicated department summarizes the ethical management practices and important internal material information processing regulations and uses relevant propaganda to publicize its business to the Company's insiders and colleagues. 3. Employee communication: Employees can report to various management and human resources departments through quarterly "Management and Labor Council" and multiple channels, and the Company proactively declares its ethical management policies in the public documents such as the ones on websites and annual reports and the public activities such as investor conferences to implement the ethical management. 4. The implementation status of Whistleblowing: The "Stakeholder" section on the Company website provides employees, shareholders, stakeholders and outsiders with effective means of communication. If the whistleblowing case involves a director or a high-level manager, the case will be reported to the independent directors and a whistleblower protection system will be established with whistleblower's identity and the reporting contents kept confidential; the Company is committed to protecting the whistleblower from improper handling of the whistleblower because of the whistleblowing.	
	(3) Has the Company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	ˇ		The Company implements them in accordance with Article 5 and Article 8 of the Company's "Ethical Management Operating Procedures and Behavior Guidelines."	No deviation
	(4) Does the Company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	ˇ		The Company will establish an effective accounting system and internal control system for ethical management operation, and the internal auditors will check and issue an audit report.	No deviation
	(5) Does the Company provide internal and external ethical corporate management training programs on a regular basis?	ˇ		The Company regularly holds integrity management training courses. For more details, please refer to "2.3.7 (1) Recent Year Participation in Continuing Education by Directors and Corporate Governance Officers of The Company."	No deviation
Implementation of Complaint Procedures	(1) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically	ˇ		It is regulated in Article 7 of the Company's "Operating Procedures and Behavior Guidelines for Ethical Management" and Article 2 of the "Code of Ethical Management in Violation of the Ethical Manage-ment Code."	No deviation

Evaluation item		Implementation			Deviations and the Reasons
		Y	N	Brief Summary	
	responsible for handling complaints received from whistle-blowers?				
	(2) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	ˇ		It is implemented in accordance with Article 7, Article 15, and Article 24 of the Company's "Operating Procedures and Behavior Guidelines for Ethical Management" and Article 5 of the "Code of Ethical Management in Violation of the Code of Ethical Management." After the investigation is completed, necessary follow-up measures will be taken, and relevant confidentiality mechanisms will be followed.	No deviation
	(3) Has the Company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	ˇ		Confidential information of whistleblower is regulated in Article 26 of the Company's "Operating Procedures and Behavior Guidelines for Ethical Management" and Article 5 of the "Code of Ethical Management in Violation of the Ethical Management Code."	No deviation
Strengthening Information Disclosure	Does the Company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	ˇ		The Company's and its subsidiary's status of fulfilling the ethical management and adopted "Code of Ethical Management," "Operation Procedures and Behavior Guidelines of Ethical Management" and "Code of Ethical Management in Violation of the Code of Ethical Management" are published on the Company's website for investors' reference.	No deviation
If the Company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: (1) The Company: To establish a corporate culture of integrity and to improve business operations, the "Code of Ethical Management", "Operating Procedures and Behavior Guidelines for Ethical Management" and " the Code of Conduct in Violation of Code of Ethical Management" have been formulated after considering Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, issued by FSC. There is no discrepancy in between. (2) Château Co., Ltd.: It has formulated the "Code of Ethical Management" and operated in compliance with the code. There is no discrepancy in between.					
Other important information to facilitate a better understanding of the status of operation of the Company's ethical corporate management policies (e.g., the Company's reviewing and amending of its ethical corporate management best practice principles): (1) The Company: The Company added the "Code of Ethical Management in Violation of the Code of Ethical Management" in 2015. In addition, the dedicated department that is responsible for the "Code of Ethical Management of TWSE/TPEx Listed Companies" was changed from the Audit Office to the Administration Department. (2) Château Co., Ltd.: It has established "Supplier Management Measures" and handled it in accordance with various operating regulations. It maintains a smooth communication channel with suppliers, maintains a good relationship, and adheres to the principle of integrity and mutual benefit.					

2.3.7 Other important information of the Company and its subsidiaries that can enhance the understanding of corporate governance and operation

(1) The participation of the Company's and its subsidiaries' managers in corporate governance-related education and training information are as follows:

Title	Name	Date	Host	Course title	Hour
Director	Wang, Chen-Ze Chen, Chung-Hsien Hsieh, Cheng-Cheng Hu, Pi-Shan Chen, Chieh-Jen Chen, Chien-Hsing Liu, Fu-Tsai Hu, Chun-Hao	2025/11/14	TWSA	Prevention of Labor Disputes and Corporate Governance	3
				Global Macroeconomic and Key Industry Trends Analysis	3
Director	Hu, Chun-Hao	2025/10/03	SFI	2024 Insider Trading Prevention Awareness Seminar	3
		2025/10/31		2024 Legal Compliance Briefing on Insider Equity Trading	3
Director	Chen, Chi-Tai	2025/08/07	CGA	How Enterprises and Directors/Supervisors Can Avoid Insider Trading Violations	3
		2025/11/06		The Impact of Recent International Tax Law Developments on Business Operations and Corresponding Responses	3
Independent Director	Wang, Hung-Chuan Jian, Han-Ru Tsai Shuo-Chuan	2025/11/14	TWSA	Prevention of Labor Disputes and Corporate Governance	3
				Global Macroeconomic and Key Industry Trends Analysis	3
CGO	Chang, Shu-Fen	2025/5/23	SFI	2025 Insider Trading Prevention Awareness Seminar	3
		2025/08/28 2025/08/29	CGA	Greenhouse Gas Management Workshop and Sustainability Development Awareness Seminar	3

2.3.8 Implementation of the Company's Internal Control System

(1) The Statement on Internal Control：Please refer to page 87 of the Appendix.

(2) Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: N/A.

2.3.9 Material resolutions of a shareholders meeting or a board of directors meeting

(1) Important resolutions and implementation status of the 2025 AGM

Resolutions	Implementation Status
Approval of the Company's 2024 Annual Business Report and Financial Statements	Approved as proposed.
Approval of the Company's 2024 Loss Compensation	Approved as proposed.
Amendment of the "Articles of Incorporation"	Approved as proposed, the amended Articles of Incorporation were registered following the approval by the Ministry of Economic Affairs under the letter number 1130385442 dated November 8, 2024.
Amendment of the "Rules of Procedure for Shareholders' Meetings"	Approved as proposed, the amended Rules were registered following the approval by the Financial Supervisory Commission under the letter number 1120385664 dated December 8, 2023.

(2) Important resolutions of the Board meeting

Date	Resolutions
2025/05/12	1. Application for short-term comprehensive credit lines from Hua Nan Commercial Bank North Tainan Branch and two other banks, submitted for ratification. 2. The Company's endorsement and guarantee execution status for other companies, submitted for acknowledgment. 3. The Company and its subsidiaries' lending to other companies, submitted for discussion. 4. The Company's consolidated financial statements for Q1 2025, submitted for acknowledgment. 5. Amendment to the lease agreement for the Company's rolling mill at the Guantian plant, submitted for discussion.

Date	Resolutions
	6. Proposed disposal of real property to related parties by the Company, submitted for discussion.
2025/05/28	1.Election of the Chairman and Vice Chairman of the Company following the appointment of the 19th Board of Directors. 2. Appointment of the members of the 5th Remuneration Committee of the Company.
2025/08/12	1. Authorization of the Chairman to handle loan arrangements with financial institutions, submitted for discussion. 2. Application for short-term comprehensive credit lines from Chang Hwa Bank Annan Branch and four other banks, submitted for ratification. 3. The Company and its subsidiaries' lending to other companies, submitted for discussion. 4. The Company's consolidated financial statements for Q2 2025, submitted for acknowledgment. 5. Amendment to the Company's internal control system "CC-01 Information Cycle," submitted for discussion. 6. Execution of the Company's 2024 Sustainability Report, submitted for discussion. 7. Changes in the Company's Chief Internal Auditor, submitted for acknowledgment.
2025/11/12	1. Application for short-term comprehensive credit lines from Taiwan Cooperative Bank Tainan Branch and one other bank, submitted for ratification. 2. The Company and its subsidiaries' lending to other companies, submitted for discussion. 3. The Company's consolidated financial statements for Q3 2025, submitted for acknowledgment. 4. The audit plan for 2026, submitted for discussion. 5. Amendment to the Company's important internal regulation "IO-13 Risk Management Policies and Procedures," submitted for discussion. 6. The case of annual bonus distribution for managers for the fiscal year 2025 of the Company, submitted for discussion. 7. Establishment of the "Corporate Governance and Sustainability Development Committee" of the Company and appointment of its members, submitted for discussion.
2026/01/28	1. Application for short-term comprehensive credit lines from First Bank Tainan Branch and five other banks, submitted for ratification. 2. The term of directors of Hsin-Shih Textile Co., Ltd., in which the Company's subsidiary Guantian Investment Development Co., Ltd. has reinvested, has expired, submitted for discussion. 3. Amendment to the Company's internal control "CO-05 Code of Ethical Conduct," submitted for discussion. 4. Amendment to the Company's internal control "CO-07 Procedures for Reporting Violations of Ethical Conduct," submitted for discussion. 5. Amendment to the Company's important internal regulation "IO-04 Rules of Procedure for Board Meetings," submitted for discussion. 6. Amendment to the Company's important internal regulation "IO-07 Organizational Charter of the Remuneration Committee of Guantian Steel Co., Ltd.," submitted for discussion. 7. Amendment to the Company's important internal regulation "IO-12 Performance Evaluation Measures for the Board of Directors and Functional Committees," submitted for discussion. 8. Establishment of a subsidiary "Yu Tian Co., Ltd." by the Company, submitted for discussion. 9. Early termination of the lease agreement for the rolling mill at the Company's Guantian plant and recovery for self-use, submitted for discussion. 10. Changes in personnel at Level 5 within the Company, submitted for acknowledgment. 11. The term of directors of the subsidiary Château Rich Hotel Co., Ltd., submitted for ratification.
2026/03/03	1. The Company's consolidated and parent company only financial statements for 2025. 2. Assessment of the effectiveness of the Company's internal control system and the Internal Control System Statement for 2025, submitted for discussion. 3. Amendment to internal control procedure "CW-01 Payroll Cycle," submitted for discussion. 4. Arrangements for convening the 2026 Annual General Shareholders' Meeting, submitted for discussion. 5. Announcement date for shareholder proposal rights, submitted for discussion. 6. Remuneration for directors, the president, vice presidents, and managers for 2025, submitted for discussion.

Date	Resolutions
	7. Monthly salary payments for directors and managers for 2026, submitted for discussion.

2.3.10 Documented opinions or declarations made by directors or supervisors against board resolutions in the most recent year, up till the publication date of this annual report
Explanatory Notes: None.

2.4 Information on CPA (External Auditor) Professional Fees

Unit: NT$ thousand

Accounting Firm	CPAs	Period covered	Audit fee	Non-audit fee	Total	Remark
Deloitte & Touche	Liao, Hung Ju	Q1–Q4 2025	2,050 thousand	693 thousand	2743 thousand	Non-audit fees mainly relate to tax certification services and greenhouse gas assurance engagements.
	Wu, Chan Gun					
Note 1: Non-audit fee details include a tax certification fee of NT$387 thousand and greenhouse gas statement assurance service of NT$306 thousand, totaling NT$693 thousand.						

2.4.1 If the audit fees paid in the replacement year are less than those paid in the previous year, the amount, proportion, and reasons of the reduction shall be disclosed
Explanatory Notes: N/A.

2.4.2 If the audit fee is reduced by more than 10% compared with the previous year, the reduction amount of the audit fee should be disclosed
Explanatory Notes: N/A.

2.5 Information on Replacement of CPAs

(1) Regarding the Predecessor Auditor

Date of Change	Approved by the Board of Directors on March 11, 2025		
Reason for Change and Description	Due to internal adjustments within the CPA firm, the Company's financial statements, which were previously audited by CPAs Liao, Hung-Ju and Yang, Chao-Chin, have been audited by CPAs Liao, Hung-Ju and Wu, Chang-Chun starting from the first quarter of 2025		
Indication of Whether the Engagement Was Terminated or Not Accepted by the Company or the CPA	Party / Circumstances	CPA	Company (Client)
	Voluntary termination of engagement	N/A	
	Refusal to accept (or continue) the engagement		
Audit Opinions Issued by the CPA Other Than Unqualified Opinions	N/A		

<table>
<tr><td>in the Most Recent Two Years and the Reasons Therefor</td><td colspan="3"></td></tr>
<tr><td rowspan="7"></td><td rowspan="5">Yes</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Disclosure of financial reports</td></tr>
<tr><td></td><td>Scope or procedures of audit</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td></td><td></td></tr>
<tr><td>None</td><td colspan="2"></td></tr>
<tr><td colspan="3">Explanation: N/A</td></tr>
<tr><td>Other Disclosures (Items required to be disclosed under Article 10, Paragraph 6, Subparagraph 1, Items 4 to 7 of the Regulations)</td><td colspan="3">None.</td></tr>
</table>

(2) Regarding the Successor Auditor

Name of CPA Firm	Deloitte & Touche
Names of CPAs	Liao, Hung-Ju and Wu, Chang-Chun
Date of Engagement	Approved by the Board of Directors on March 11, 2025.
Consultation with the successor auditor prior to engagement regarding the accounting treatment of specific transactions, accounting principles, or potential audit opinions on the financial statements, and the results thereof.	N/A
Written opinions of the successor auditor on disagreements with the predecessor auditor.	N/A

(3) Reply from the predecessor auditor regarding the matters specified in Subparagraphs 1 and 3 of Item 6, Article 10 of the Regulations: Not applicable.

2.6 Chairman, President and the manager who is in charge of the financial or accounting affairs that have worked in accounting firm or its related corporate within the past year

Explanatory Notes: None.

2.7 The transfer of shareholder's equity and the change of pledge of shares of directors, managers, and shareholders whose share-holding ratio exceeds 10 percent in the past year and up to the date of the publication of the Annual Report

2.7.1 Changes in Shareholding of Directors, Managerial Officers, and Major Shareholders

Title	Name	Fiscal year 2025		Current fiscal year as of March 31		Remarks
		Holding Increase (Decrease)	**Pledged Holding Increase (Decrease)**	**Holding Increase (Decrease)**	**Pledged Holding Increase (Decrease)**	
Director/Chairman	Wang, Stanley C.T.	0	0	0	0	
Director	Chia Chi SDRY Enterprise Co.,Ltd.	0	4,500,000	528,000	0	
Director/CFO	Representative: Hu, Pi-Shan	0	0	0	0	
Director	Baulidu Invest-ment Co., Ltd. (**Major shareholder**)	38,000	1,800,000	0	0	(Major shareholders)
Director	Representative: Chen, Chieh-Jen	0	0	0	0	
Director/President	Representative: Hsieh, Cheng-Cheng	0	0	0	0	
Director/ Vice Chairman	Aaron Chen	0	3,000,000	0	0	
Director	Liu, Fu-Tsai	0	0	0	0	
Director	Bai Jia Yuan In-vestment Co., Ltd.	0	0	0	0	
Director	Representative: Yan, Ching-Li (Dismissed on 2025/05/28)	0	0	0	0	
Director	Representative: Chen, Chi-Tai	0	0	0	0	
Director	Chen, Chien-Hsen	0	0	0	0	
Director	Hu, Chun-Hao (Newly appointed on 2025/05/28)	0	0	0	0	
Independent Director	Tsai Shuo-Chuan	0	0	0	0	
Independent Director	Wang, Hung-Chuan	0	0	(9,000)	0	
Independent Director	Jian, Han-Ru	0	0	0	0	
VP	Kuo, Ying-Chien (Dismissed on 2025/02/09)	0	0	0	0	
VP	Shun, Ying- Chieh	0	0	0	0	
VP	Chang, Shu-Fen	0	0	0	0	
Assistant VP	Wang, Hsiu-Hua	0	0	0	0	
Assistant VP	Hung, Chen-Lun	0	0	0	0	
Assistant VP	Guo,Wen-Zhi	0	0	0	0	
Assistant VP	Shun, Chun-Pin (Newly appointed on 2025/04/01)	0	0	0	0	

Note 1: Any shareholder holding more than 10 percent of the Company's total share capital shall be noted as a major shareholder, and such shareholders shall be listed individually.
Note 2: If the counterparty of a transfer of shareholding or a pledge of shareholding is a related party, additionally complete the table below.

2.7.2 Information on Transfers of Shareholding

Explanatory Notes: N/A.

2.7.3 Information on Pledges of Shareholding

Explanatory Notes: N/A.

2.8 Relationship among the Top Ten Shareholders

March 31, 2026 Unit: Share; %

Name（Note 1）	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Baulidu Investment Co.,Ltd.	63,305,229	14.166%	N/A	N/A	0	0	Concord Securities Co., Ltd.	Corporate Director	
Owner: Chen, Mi-Chuan	10,900,056	2.439%	0	0	0	0	Chen, Hsieh-Tung	First-Degree relative	
							Aaron Chen, Chen, Pin-Chun	Second-Degree relative	
							Baulidu Investment Co.,Ltd.	Chairman	
							Concord Securities Co., Ltd.	Vice Chairman	
Concord International Securities Co., Ltd.	41,546,734	9.297%	N/A	N/A	0	0	None.		
Owner: Wang, Wen-Chu	0	0	0	0	0	0	None.		
Asahi Enterprises Corporation	25,128,279	5.623%	N/A	N/A	0	0	None.		
Owner: Aaron Chen	18,372,152	4.111%	0	0	0	0	Chen, Hsieh-Tung	First-Degree relative	
							Chen, Mi-Chuan	Second-Degree relative	
							Chateau International Development Co., Ltd.	Vice Chairman	
							Chateau Investment Co., Ltd.; Chia Yuan Investment and Development Co., Ltd.; Asahi Enterprises Corporation	Director	
							Wise Co., Ltd.	Chairman	
							Kun Pao Industrial Co., Ltd.	Supervisor	
Aaron Chen	18,372,152	4.111%	0	0	0	0	Chen, Hsieh-Tung	First-Degree relative	
							Chen, Mi-Chuan	Second-Degree relative	
							Chateau International Development Co., Ltd.	Vice Chairman	
							Chateau Investment Co., Ltd.; Chia Yuan Investment and Development Co., Ltd.; Asahi Enterprises Corporation	Director	
							Wise Co., Ltd.	Chairman	
							Kun Pao Industrial Co., Ltd.	Supervisor	
Château International Development Co., Ltd.	17,315,398	3.875%	N/A	N/A	0	0	None.		
Owner: Chen, Hsieh-Tung	9,339,619	2.090%	0	0	0	0	Aaron Chen; Chen, Mi-Chuan; Chen, Pin-Chun	First-Degree relative	
							Cha Chi Sdry Enterprise Co., Ltd.	Director	
Cha Chi Sdry Enterprise Co., Ltd.	15,349,454	3.435%	N/A	N/A	0	0	None.		
Owner: Hsueh, Nien-Cheng	6,812,398	1.524%	0	0	0	0	Chen, Pin-Chun	First-Degree relative	
							Kun Pao Industrial Co., Ltd.	Chairman	
							Quintain Investment Co., Ltd.	Director	
Chen Mi-Chuan	10,900,056	2.439%	0	0	0	0	Chen, Hsieh-Tung	First-Degree relative	
							Aaron Chen	Second-Degree relative	
							Baulidu Investment Co.,Ltd.	Chairman	
							Concord Securities Co., Ltd.	Vice Chairman	

Name（Note 1）	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Chen, Hsieh-Tung	9,339,619	2.090%	0	0	0	0	Aaron Chen; Chen, Mi-Chuan; Chen, Pin-Chun	First-Degree relative	
							Cha Chi Sdry Enterprise Co., Ltd.	Director	
Chen, Pin-Chun	7,261,716	1.625%	0	0	0	0	Chen, Hsieh-Tung; Hsueh, Nien-Chen	First-Degree relative	
							Aaron Chen; Chen, Mi-Chuan;	Second-Degree relative	
							Cha Chi Sdry Enterprise Co., Ltd.	Supervisor	
Hsueh, Nien-Chen	6,812,398	1.524%	0	0	0	0	Chen, Pin-Chun	First-Degree relative	
							Kun Pao Industrial Co., Ltd.	Chairman	
							Quintain Investment Co., Ltd.	Director	

Note 1: All the top ten shareholders shall be listed, and the names of the legal shareholders and their representatives shall be listed separately if they are institutional shareholders.
Note 2: The calculation of shareholding ratio refers to the calculation of shareholding ratio in the name of oneself, spouse, minor child or other person.
Note 3: The shareholders listed above, including legal persons and natural persons, shall disclose their relationship with each other in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2.9 Shares held by directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise

March 31, 2026 Unit: Share; %

Affiliated Enterprises (Note 1)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Quintain Investment Co., Ltd.	81,080,40	100.0%	0	0	81,080,400	100.00%
Château Investment Co., Ltd.	5,000,000	100.0%	0	0	5,000,000	100.00%
Chia Yuan Investment and Development Co., Ltd.	12,572,433	95.97%	0	0	12,572,433	95.97%
Feng Shehg Enterprise Company	27,116,689	45.19%	1,827,373	3.05%	28,944,062	48.24%
Kun Pao Industrial Co., Ltd.	2,295,000	45.00%	0	0	2,295,000	45.00%
Château Rich Hotel Co., Ltd.	19,845,175	37.37%	26,897,691	50.65%	46,742,866	88.02%
Castle Applied Inc.	5,949,915	22.19%	0	0	5,949,915	22.19%

Note 1: Investment accounted for using equity-method.

3. Information on Capital Raising Activities

3.1 Sources of Capital

Year Month	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital paid in by assets other than cash	Other
2023 08	None	600,000,000	6,000,000,000	376,874,691	3,768,746,910	Capitalization of retained earnings NT$ 144,951,810	None	Note 1
2023 10	11.7	600,000,000	6,000,000,000	446,874,691	4,468,746,910	Cash capital increase NT$700,000,000	None	Note 2

Note 1: The application became effective as per the announcement from the Financial Supervisory Commission on July 10, 2023, and was approved for change registration by the Ministry of Economic Affairs under the letter No. 11230166040 dated August 31, 2023.

Note 2: The application became effective as per the letter No. 1120347530 from the Financial Supervisory Commission dated July 13, 2023, and was subsequently approved for change registration by the Ministry of Economic Affairs under the letter No. 11230192360 dated October 17, 2023.

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common Shares	446,874,691	153,125,309	600,000,000	

Information Relating to the Shelf Registration System: N/A.

3.2 List of Major Shareholders

March 31, 2026

Shareholder's Name	Shares	Percentage
Baulidu Investment Co., Ltd.	63,305,229	14.166%
Concord International Securities Co., Ltd.	41,546,734	9.297%
Mei Yu Industrial Co., Ltd.	25,128,279	5.623%
Chen, Chung-Hsien	18,372,152	4.111%
Château International Development Co., Ltd.	17,315,398	3.875%
Chia Chi Department Store Enterprise Co., Ltd.	15,349,454	3.435%
Chen, Mi-Chuan	10,900,056	2.439%
Chen, Hsieh-Tung	9,339,619	2.090%
Chen, Pin-Chun	7,261,716	1.625%
Hsueh, Nien-Chen	6,812,398	1.524%

3.3 Company's dividend policy and implementation thereof

3.3.1 Dividend policy

Explanatory Notes: If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Law. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal. Dividends will be distributed in accordance with the resolution approved by the Board of Directors and at the annual shareholders' meeting. The Company takes into account the current and future development plans, the investment environment, capital needs and domestic and overseas competitions, as well as the interests of shareholders and other factors in order to maintain a stable and sustainable operation. The Company distributes no less than 60% of the balance of the current annual surplus as dividends, but will not distribute dividends if the accumulated surplus is less than 10% of the paid-in capital.

3.3.2 Proposed dividend payment by the shareholders' meeting

Explanatory Notes: In 2025, the company reported net loss after tax; therefore, no dividends are planned for distribution.

3.3.3 The dividend policy for the next year will be based on the above-mentioned dividend policy.

3.4 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting

Explanatory Notes: N/A.

3.5 Profit-sharing compensation of employees, directors, and supervisors

3.5.1 The percentage or scope of the bonuses of Employees, Directors and Supervisors stipulated in the Articles of Incorporation.

Explanatory Notes: According to the stipulations of the Articles of Incorporation, if there is a profit for the year, the Company shall pay no less than 1% of it for the employee bonus and not more than 1% for the director's and supervisor's bonus, which shall be distributed in stock or cash by the resolution of the board of directors and the employee-to-be paid include that of affiliated companies who meet certain conditions; based on the amount of profit, the proposal shall be resolved by the board of directors, with the approval of more than two-thirds of the directors present and more than half of the present directors, with no more than 1% allocated as directors and supervisors' remuneration. Employee compensation and the distribution of directors and supervisors' compensation shall be submitted to the shareholders meeting. However, if there is still a cumulative loss, an amount to make up for the loss should be retained in advance, and then allocate the remuneration for employees and directors and supervisors based on the aforesaid proportion.

3.5.2 The basis for the estimation of the amount of bonus of employees, directors and supervisors in the current period, and the accounting treatment if there is a difference between the actual employee bonus paid in shares or cash and the estimated amount

Explanatory Notes: If there is a discrepancy between the estimated number and the actual amount in the resolution of the Board of Directors, it will recognize as profit and loss for the next year.

3.5.3 Bonus distribution as passed by the board meeting

Explanatory Notes: The amount of remuneration for employees is NT$0 and remuneration for directors is NT$0 in 2025.

3.5.4 If there is a difference between the actual distribution of bonus of employees, directors and supervisors (including the number of shares, the amount and the share price) in the 2024 year and the 2024 for the bonus, please describe the difference, the reason and the accounting treatment.

Explanatory Notes: There is no discrepancy.

3.6 Status of a company repurchasing its own shares

Explanatory Notes: The Company has not repurchased any of its own shares during 2025 and up to the date of printing of this annual report.

3.7 Status of the issuance of corporate bonds, preferred shares, global depositary receipts (GDR), employee share subscription warrants, restricted employee rights to new shares, and new shares issued for mergers or acquisitions of other companies' shares.

Explanatory Notes: N/A.

3.8 Implementation of the Company's Capital Allocation Plans

3.8.1 Description of the plans

Explanatory Notes: The Company's cash capital increase plan for the year 2023 was completed on September 25, 2023, and was fully executed in the fourth quarter of 2023 as planned. The lead underwriter, Uni-President Securities Corporation, has issued an evaluation opinion on the execution status, indicating that the anticipated benefits and actual outcomes show no significant discrepancies.

3.8.2 With regard to the purpose of each plan in the preceding paragraph, analyze item by item as of the quarter before the publication date of the annual report, its implementation and comparison with the original expected benefits

Explanatory Notes: N/A.

4. Overview of Operations

4.1 Description of the Business

4.1.1 Business Scope

(1) The main business includes the manufacturing and trading of wire rods, spheroidizing wire, galvanized steel wire, black iron wire, screw, and catering services.

(2) Revenue distribution of 2025 (Unit: NT$ thousand)

Major Divisions	**Total Sales**	**%**
Wire Rods	662,006	24.21%
Galvanized steel wires	247,188	9.04%
Iron wires	42,021	1.54%
Screws	943,193	34.50%
OEM sales	115,802	4.24%
Catering Sales	563,820	20.62%
Others	160,168	5.85%
Total	2,734,198	100.00%

(3) Currently planned new product development: None.

4.1.2 An overview of the industry

(1) Current status of the industry and the domestic and foreign macroeconomy: The steel industry is an important foundation of the national economy, and its development directly affects related industries such as national defense, construction, machinery, shipbuilding, automotive, home appliances, and hardware. It can be said that it is an important indicator of a country's economic level and comprehensive national strength.

A. Domestic

a. According to data released by the National Development Council in December 2025, the economic indicator light has shifted from yellow-red to red, indicating a robust economic condition. (Source: National Development Council)

b. Benefiting from AI-driven demand, export expansion across related supply chains has strengthened; however, frequent changes in U.S. economic and trade policies, along with increasing geopolitical tensions and trade frictions, have accelerated economic uncertainties. (Source: National Development Council)

c. Taiwan’s economic growth outlook for 2026 shows continued expansion. As of January, the manufacturing PMI rose to 57.2%, marking four consecutive months of expansion. Export orders from January to December 2025 reached USD 743.7 billion, representing a 26% increase compared to the previous year. Recent forecasts by domestic institutions estimate Taiwan’s GDP growth at 3.67% (Central Bank), 4.14% (Chung-Hua Institution for Economic Research), and 4.05% (Taiwan Institute of Economic Research), driven by strong demand for AI-related technologies and expansion in external investment, which is expected to further stimulate domestic consumption. (Source: Ministry of Economic Affairs, Central Bank, CIER, TIER, China Steel)

B. Foreign countries: The IMF forecasts that the global GDP growth rate will remain at approximately 3.3% in 2026 (the same as in 2025), continuing the growth trend but at a slightly moderated pace.

a. USA: The 2026 GDP forecast is 2.4% (compared to 2.7% in 2025), still supported by investments in AI infrastructure.

b. EU: The 2026 GDP forecast is 1.3% (compared to 1.0% in 2025), mainly driven by increased public spending in countries such as Germany.

c. Southeast Asia: The 2026 GDP forecast is 4.5% (compared to 4.7% in 2025). Thailand's GDP is expected to be 2.2% due to domestic political instability, border conflicts with Cambodia, and the withdrawal of Japanese automotive manufacturers. Indonesia is projected at 5.1%, supported by strong domestic demand in manufacturing. Vietnam has surpassed Thailand to become the third-largest economy in Southeast Asia, with a forecast of 10%, mainly driven by manufacturing growth and trade agreements with the United States.

d. China: The 2026 GDP forecast is 4.5% (compared to 4.6% in 2025), facing structural challenges and slower growth, with a shift toward domestic demand and exports to non-U.S. markets.

(2) The correlation between the upstream, midstream, and downstream sectors in the industry

Steel-making
- Rolled steel (wire rod) →steel wire, steel cable, wire → iron wire, iron nails, screws, nuts, fastener, hand tools, hardware etc.
- Rolled steel (Rebar wire rod) → Construction Industry

(3) Various development trends of products

A. Wire rods: According to their applications, they can be divided into low-carbon steel, high-carbon steel, cold-heading steel, and low-alloy steel. Looking forward to the future, the demand for high-end steel products such as cold-heading steel and low-alloy steel is expected to continue growing in the market. Meanwhile, low-carbon steel, high-carbon steel, and rebar coils, which are basic industrial steel, may enter a highly competitive stage from a mature and stable stage due to globalization and liberalization.

B. Spheroidized Wire Rods: These products are used by secondary processing industries for cold forging to manufacture more complex and high value-added products, such as self-drilling screws, high-tensile bolts, and automotive screws, which are indispensable for industrial transformation and upgrading. Currently, the cold forging material sector is embracing the "customization" trend to meet the needs of different customers. In the future, the industry will actively move towards alloy steel and special steel types in response to industry dynamics, creating even higher added value.

C. Black Iron Wire: In order to meet customer needs, collaboration with upstream wire rod manufacturers is conducted to develop suitable wire diameter specifications. By reducing the area reduction rate and minimizing processing procedures, the cost of materials for customers can be lowered.

D. Galvanized Wire: According to their applications, they can be divided into high hot-dip galvanized wire, hot-dip galvanized wire, electro-galvanized wire, raw galvanized wire, and galvanized steel wire. Looking forward, various types of galvanized iron wires still have considerable room for continuous growth, while galvanized steel wires maintain a basic supply volume.

E. Construction Screws (Threaded Rods): Since 2004, the Taiwanese construction industry has been using a large number of construction screws to replace galvanized iron wires due to steel price costs and safety considerations. As the monthly market demand is between 2,000 and 3,000 tonnes, there is value in its development.

F. Screw Products: In 2025, the average annual export volume of screw products in Taiwan was 1.2398 million tonnes. In the initial stage, the Company plans to purchase screw production equipment with a monthly output of 2,000 tonnes at the processing plant, which is currently operating smoothly to meet market demand.

G. Heat Treatment Factory: An essential process in screw manufacturing. In order to achieve a streamlined production and reduce the costs of outsourcing, the Company has its own heat treatment plant. This also helps provide heat treatment services to other screw manufacturers, enhancing competitiveness.

(4) Competition: According to statistics from the Taiwan Steel & Iron Industries Association and China Steel database, the total import supply of wire rods and bars in 2025 Q1-Q4 was approximately 470 thousand tonnes for wire rods and 250 thousand tonnes for bars, totaling about 720 thousand tonnes, remaining flat compared to 2024 in the import market. In addition, to meet market demand, the Company continues to develop and innovate its products. For example, the application of threaded rods in the construction industry has shown a growing trend in the past three years, with a combined monthly sales volume of around 1,600 tonnes for domestic and export markets, demonstrating the Company's strong competitiveness in the market.

Main Products	Domestic and international Main Competitors
Wire rod & spheroidized wire	China Steel Corporation, Feng-Hsin, Lung-Ching, Yieh-Hsing, E-SHENG and Wei-Chih Trading Companies: Indonesia, South Korea, Vietnam, Japan, China, India, Russia, Tailand, Saudi Arabia, etc.
Galvanized wire & Screw	ZENFY, King-Shing Steel、 Ching-Feng Steel and Unicatch Industrial. (mainly imported materials from Russia, China, Southeast Asia and China)

4.1.3 Research and Development

(1) Direction

A. Madou Factory: The goal is to continuously improve "environmental protection, industrial safety, quality, output, delivery, and cost."

a. The fine drawing machine motor was changed to an AC motor, enhancing equipment reliability.

b. The ISO 50001 Energy Management System was introduced to improve energy efficiency.

c. Technical staff have been trained to assist in enhancing production quality on-site.

d. Spheroidizing furnace equipment has been upgraded to enhance production capacity.

B. Rolling Factory: Since November 1, 2020, it has been leased to E-Sheng Steel Co., Ltd. for twenty years, and commissioned to produce wire rod and steel bars.

(2) Progress

A. Products that have been researched and developed and entered mass production in 2025 and as of the publication date of 2026 annual report

a. Continue to recruit and train screw production technical personnel to improve screw product quality and production efficiency.

b. Actively train heat treatment production technical personnel and improve the quality of manpower to improve the quality of heat treatment products and production efficiency.

B. Projects that have completed process and equipment improvements and entered mass production in 2025 and as of the publication date of the 2026 annual report..

a. Four additional small-size hot-dip galvanizing line take-up machines were installed to increase the supply of small-size products.

(3) R&D expenditures for the most recent year and as of the publication date of the report

Unit: NT$ thousand

Year	Expense	R&D/Sales (%)	R&D Personnel	R&D Personnel/total employees
2025	1,654	0.06%	6	2.0%

4.1.4 Long-term and Short-term Development

(1) Short-term

A. Product production and R&D: Improve the process and equipment to increase production efficiency and reduce unit production cost.

B. Marketing:

a. Strengthen sales force, improve service quality, and actively expand overseas markets, continuously improving the Company's market share in domestic and global markets.

b. Increase contract manufacturing services, fully utilize production capacity, and inject stable profits.

(2) Long-term

A. Develop high-temperature hot-dip galvanized wire products and electroplated zinc products to expand the Company's product applications. (Upgrades and integration of the Madou Factory.)

B. Develop niche product water pump wires for application in the hardware wire market to boost the Company's profits. (Upgrades and integration of the Madou Factory)

C. Expand the production and supply of screws to meet the demand of the domestic and foreign screw markets and to expand the screw sales channels in Europe and America. (Mass production at the metal plastic processing plant)

4.2 Overview of Market and Sales

4.2.1 Market Analysis

(1) The main sales regions of our products: The Company's product sales are mainly focused on the domestic market, with major export regions including Japan, the United States, and Europe. The ratio of domestic sales to exports is as follows.

Unit: NT$ thousand

Year / Region	2025		2024	
	Amount	**%**	**Amount**	**%**
Domestic	2,225,642	81.40	2,915,645	88.86
Export	508,556	18.60	365,514	11.14
Total	2,734,198	100.00	3,281,159	100.00

(2) Market share, future supply and demand conditions, and growth of the market

According to the data from the Taiwan Steel and Iron Industries Association and the China Steel statistics database, the total supply of bar and wire products in 2025 was approximately 720,000 tons, comparable to the previous year, along with the Company's product supply for the year. Based on this, it is estimated that the Company still has significant growth potential in the domestic rebar and wire processing market. Additionally, in response to market demand, our products continue to evolve and innovate. For example, the application of threaded rods in the construction industry, with monthly sales of threaded rods, both domestic and exports, totaling about 1,600 tons over the past three years, shows a growing trend year by year, clearly demonstrating our strong market competitiveness.

The total import volume of wire rods in 2025 was approximately 470,000 tons, with the top three importing countries being Indonesia, South Korea, and Malaysia (accounting for 65%). The import volume of bars was approximately 250,000 tons, with the top three importing countries being China, Japan, and South Korea (accounting for 96%). The combined total of bar and wire imports was approximately 720,000 tons. (Source: China Steel)

(3) Factors and Strategies Related to Competitive Niches and Development Prospects

A. Committed to Quality without Compromise

As the source of raw materials for various basic industries, the steel industry downstream industries often have raw materials accounting for more than 80% of the total cost. Therefore, quality is the key factor for customers to decide whether to purchase or not, apart from price. To further improve the quality, the Company strives to improve both product quality and service quality. We overcome production bottlenecks through research and development, improve equipment and processes, and replace old equipment to provide customers with stable and highest quality products. In addition, we spare no effort in service quality. Besides strengthening stable cooperative relationships with customers, we provide the direction for future product improvements based on customers' feedback, which is the key to the Company's continuous increase in market share and maintaining competitive advantages.

B. Competitive pricing

While our main raw materials are sourced from overseas, making us vulnerable to price fluctuations, our long-term relationships with suppliers and ability to stay abreast of market trends enable us to make advantageous purchases. Additionally, the Company's size and market position allow us to negotiate better prices than smaller competitors. As a result, our products are priced competitively in the market.

C. Flexible and Agile Delivery

As the Company is engaged in the manufacturing of wire rods, we can provide production of spheroidized wire rods and galvanized wire rods at any time in our Madou Factory. This not only allows us to provide customized services, but also flexible and agile delivery periods and volumes, which can fully support the temporary needs and contract manufacturing of downstream customers and industry peers.

D. R&D capabilities as a backbone

As the steel industry has reached a high level of technological maturity, most of the technological improvements in the industry focus on process technology or product quality enhancements, aiming to transform steel production into high-quality and low-cost processing of wire rods. Based on nearly fifty years of manufacturing experience in the industry, the Company develops various types of steel wire products according to market demand, aiming to break through technological and equipment bottlenecks to enhance the added value of our products and provide customers with more complete product content. In addition, the Company continues to improve processes and equipment, and replace outdated equipment to move towards high-quality and low-cost production. The strong R&D capabilities serve as a backbone for the sustainable development of the Company.

E. Economies of Scale as Competitive Advantage

The steel industry enjoys a competitive advantage in economies of scale, where larger companies have advantages in terms of raw material costs, production efficiency, and product quality. By achieving economies of scale, the market share of large companies is quite stable, making it difficult for new entrants to compete with established large companies. Over the years, the Company has achieved a certain market scale and has the advantage of economies of scale compared to other smaller companies. In addition, the Company has been committed to improving its financial structure over the years, with a more sound capital structure and more efficient use of resources. With various cost-cutting measures, we effectively control manufacturing costs, increase the gradually compressed profit margin, and enhance our overall competitiveness, achieving sustainable development goals.

4.2.2 Important Uses and Production Processes of Major Products

(1) Important Uses

A. Galvanized iron wire: mainly used for making galvanized iron mesh, staplers for sealing boxes, barbed wire, gabions, as well as for paper packaging, construction industry, and armored wires in the wire and cable industry to achieve protection and anti-corrosion functions, etc.

B. Galvanized high carbon steel wire: mainly supplied for use in steel cables, steel ropes, tire steel wire, and spring processing.

C. Spheroidized wire: mainly supplied for manufacturing screws and nuts, such as drilling screws, machine screws, wood screws for construction, and screws for automobiles.

D. Wire rod: apart from self-use, it is mainly supplied for secondary processing in major wire processing factories in Taiwan.

E. Black iron wire: has a wide range of uses, mainly used for making barbecue grills, electric fan mesh, hardware processing, stationery such as needles, nails, display stands, hangers, and precast concrete products materials.

F. Construction screws: mainly supplied for use in the construction industry.

G. Screws: used in machinery, hardware, construction, and related industries.

(2) Production Processes

A. Wire Rod

Small billet → Wire Rod Quality Check If It Needs Grinding →Y Billet Grinding ↓ Wire Rod Rolling

Wire Rod Quality Check If It Needs Grinding →N Wire Rod Rolling ↓ Packaging ↓ Inventory

B. Spheroidization

Wire Rod → Preliminary Drawing → Black iron wire

↓

Annealing after Spheroidization → Anneal wire

↓

Pickling, Rust Removal, and Coating → Pickling wire

↓

Intermediate Drawing → Finished Spheroidization

C. Galvanization

Wire Rod → Wire Drawing → Black iron wire

↓

Annealing → Anneal wire

↓

Pickling

↓

Galvanization → Galvanized iron wire、Galvanized Steel Wire, Raw Galvanized Wire, U-type Galvanized Iron Wire

D. Water Drawn Wire (Black Iron Wire)

Wire Rod → Wire Drawing → Corrosion Proof → Black Iron Wire

E. Construction screws

Wire Rod → Wire Drawing → Straightening and Cutting → Thread Forming →Screws

F. Screw

Spheroidization → Forming → Thread Rolling → Heat Treatment → Surface Treatment → Package →Screws

4.2.3 Supply Status of Main Raw Materials

The main raw material for the Company is steel billet, which is mainly purchased from Russia, mainland China, Indonesia, and Vietnam abroad, and from Wei-Chih Steel and Ching Hsin Iron & Steel domestically for high-quality steel billet. To ensure a stable supply of raw materials for production, appropriate safety stock standards for steel billet have been established to ensure the needs of the disc-making rolling mill.

4.2.4 Trade partner representing more than 10% of total purchases/sales in the previous 2 years

(1) Major Suppliers for the Most Recent 2 Years

Unit: NT$ thousand

Year	2025				2024				Till the first quarter of 2026(Note 1)			
Item	Name	Amount	Percentage of annual net purchases〔%〕	Relationship	Name	Amount	Percentage of annual net purchases〔%〕	Relationship	Name	Amount	Percentage of annual net purchases〔%〕	Relationship
1	A008	348,431	23.60	None	A006	799,806	37.51	None	N/A			
2	A009	187,320	12.69	None	A007	245,536	11.52	None				
3	A010	166,967	11.31	None								
4												
5												
	Others	773,904	52.40		Others	1,086,876	50.97					
	Net purchases	1,476,622	100.00		Net purchases	2,132,218	100.00					

Reason for change: Mainly due to their quotes, delivery time, and quality being more in line with the needs of the Company.

Note 1: The financial information for the first quarter of 2026 has not been reviewed by the accountant as of the printing date, anr therefore is not disclosed.

(2) Major Customers for the Most Recent 2 Years

Unit: NT$ thousand

Year	2025				2024				Till the first quarter of 2026(Note 1)			
Item	Name	Amount	Percentage of annual net sales〔%〕	Relationship	Name	Amount	Percentage of annual net sales〔%〕	Relationship	Name	Amount	Percentage of annual net purchases〔%〕	Relationship
1	B005	486,483	17.79	None	B005	354,972	10.82	None	N/A			
	Others	2,247,715	82.21		Others	2,926,187	89.18					
	Net sales	2,734,198	100.00		Net sales	3,281,159	100.00					

Reason for change: Sales to B005 increased in 2025 compared to 2024, mainly due to a decline in sales to other customers.

Note 1: The financial information for the first quarter of 2026 has not been reviewed by the accountant as of the printing date, anr therefore is not disclosed.

4.3 Employee Statistics

4.3.1 The Company

Year		2024	2025	March 31, 2026
Number of Employees	Direct	165	166	189
	Indirect	114	102	119
	Contingent Worker	0	0	0
	Total	279	268	308
Average Age		40.38	42.49	42.64
Average Years of Service		6.59	8.49	7.34
Education	Ph.D.	0.36%	0.37%	0.32%
	Master’s degree	7.55%	7.09%	6.17%
	Collage	40.65%	40.30%	39.94%
	Senior high school	33.09%	35.07%	33.12%
	Below senior high school	18.35%	17.16%	20.45%

4.3.2 All Companies in Consolidated Financial Statements

Year		2024	2025	March 31, 2026
Number of Employees		726	698	718
Average Age		39.38	40.95	41.70
Average Years of Service		6.86	7.76	7.56
Education	Ph.D.	0.13%	0.14%	0.13%
	Master’s degree	4.94%	5.01%	4.73%
	Collage	48.63%	46.43%	45.27%
	Senior high school	32.67%	34.67%	34.13%
	Below senior high school	13.63%	13.75%	15.74%

4.4 Disbursements for environmental protection

4.4.1 Total amount of losses and disposals due to environmental pollution for the latest fiscal year and as of March 1, 2026 (including compensation and penalties for violations of environmental protection regulations identified through inspections, specifying the date of penalty, reference number, violated regulations, description of violations, and penalty details):

Date	Punishment Letter No.	Factory	Regulation Violated	Content	Amount of Penalty (NT$ Dollar)
2025/02/12	Ref. No. Huan-Ji-Zi No. 1140042801	Metal Processing Plant	Violation of Articles 18 and 21 of the Water Pollution Control Act	(1) On February 12, 2025, the recorded retained water meter reading entered into the system was inconsistent with the reading of the flow measurement facility, and the measurement facility was not properly calibrated and maintained in accordance with regulations. (2) On February 12, 2025, it was found that no dedicated wastewater treatment personnel had been assigned. However, according to the permit documents, the untreated wastewater contained substances	(1) 10,000 (2) 10,000

				listed in Appendix 2 exceeding the effluent standards; therefore, dedicated wastewater treatment personnel were required by law but were not assigned in compliance with regulations.	

4.4.2 Improvement Measures and Potential Expenses

(1) Improvement Measures: Establish a joint environmental audit team to inspect and audit each factory to ensure that pollution prevention measures comply with operating permit conditions and that all equipment is properly maintained to meet environmental regulations.

(2) Potential Expenses for the Next Three Years

Year	2026	2027	2028
Proposed purchase of pollution control equipment or expenditure content	Operation and maintenance of existing environmental protection equipment and pollution prevention fees for statutory levies.		
Expected improvement	Compliance with environmental protection regulations.		
Amount	NT$ 36,400,000	NT$ 36,400,000	NT$ 36,400,000

(3) Subsequent impact: There is no significant impact on net profit or competitive position.

4.5 Labor relations

4.5.1 Current important labor-management agreements and implementation status

(1) Employee welfare measures and the implementation

A. Established the Employee Welfare Committee: Allocated employee welfare funds in accordance with regulations and distributed bonuses and gifts during various festivals.

B. Salary and allowances: Adjusted salaries based on individual annual performance evaluations and reference to the salary levels of peers in the industry and the consumer price index. Provided food, job, technical, transportation and other allowances.

C. Insurance system: Provided employee insurance, labor insurance, national health insurance, and group life insurance.

D. Employee rewards: When the Company earns profits, it allocates employee rewards according to the Company's articles of association. Employees are given the opportunity to invest in the Company during capital increases to increase employee identification and cohesion with the Company.

E. The General Administration Office of the Company and the subsidiary, Château International Development Co., Ltd., have a staff restaurant that provides employees with healthy and delicious lunch.

F. On-the-job training and education programs

a. The Company

To encourage employees to continuously learn and enrich themselves through on-the-job training, the "Employee On-the-Job Training Incentive Program" has been established to create a learning organization. In order to meet the Company's development direction and employee needs, employee education and training are conducted in accordance with the internal control system to enhance employee performance. The courses include: new employee training, hierarchical training, management courses, quality management courses, professional skills courses, and statutory training courses for obtaining licenses. The company follows the TTQS (Taiwan Talent Quality-management System) to identify skill gaps in employees every year and formulates training plans for the following year to ensure continuous development of employees' career capabilities. In the year 2025, the TTQS talent development evaluation level was Bronze. A total of 130 internal and external training courses were conducted, with a total of 713 course hours and 360 trainees. The total education and training expenses for the year were NT$347,000.

The internal auditor of the Company has obtained the Certified Internal Auditor qualification, and the financial and accounting staff have not obtained the relevant certification yet, but they all meet the relevant employment requirements. In addition, all staff members receive professional training every year in accordance with regulations, and the training details are shown in the table below:

Title	Name	Host	Date	Course Title	Hour
Accounting Supervisor	Hu, Pi-Shan	NCKU	2025/07/24 | 2025/07/25	Accounting Supervisor Continuing Education Course	12
Deputy of Accounting Supervisor	Hung, Chen-Lun				
Personnel for Preparation of Financial Report	Wang, Miao-Cheng	Deloitte Taiwan	2025/01/15	2024 Q4 Regular Seminar	4
			2024/04/24	2025 Q1 Regular Seminar	4
			2025/07/16	2025 Q2 Regular Seminar	4
			2025/10/23	2025 Q3 Regular Seminar	4
Audit Supervisor	Wu, Fang-Yu	IIA	2025/11/24	Financial Statement Reading, Analysis and Application Seminar	6
			2025/12/19	Generative AI and AI Data Protection for Internal Auditors Seminar	6
Deputy of Audit Officer	Wang, Jui-Chen	IIA	2025/11/28 2025/12/01 2025/12/02	Pre-Service Training Program for Newly Appointed Internal Auditors	18

b. Château Co., Ltd.: Please refer to the annual report of Chateau International Development Co., Ltd.

(2) Retirement system and its implementation

The employee retirement plan established by the Company applies to all regular employees. According to the plan, employees are entitled to two basic salaries for each year of service, and for those who have worked for more than fifteen years, they will receive one basic salary for each year of service, up to a maximum of forty-five basic salaries. The retirement payment is calculated based on the years of service and the average monthly salary for the last six months before retirement.

The Company follows the regulations of the Labor Standards Act to allocate 2% of the monthly payroll to the retirement reserve fund and deposit it under the name of the Labor Pension Fund Supervisory Committee into Taiwan Bank. In the fiscal year 2025, two employees retired, and the balance of the retirement reserve fund at the end of the year was NT$29,426,000. Starting from July 1, 2005, employees who choose to apply the Labor Retirement Pension Act retirement plan will contribute 6% of their monthly salary to their personal retirement account with the Labor Insurance Bureau.

(3) The status of the Company’s employee behavior and ethics code

The Company adheres to the business philosophy of “Gratitude in Everything, Integrity First, Profit Sharing, and Knowledge Innovation,” viewing employees as important assets of the Company. In order to implement the Company's business philosophy and meet the needs of various operational processes, employee appointments, and performance incentives, the Company has established 40 management regulations such as "Sales Management Regulations," "Information Management Regulations," and "Year-end Bonus Management Regulations," which are placed on the Company's internal network for employees to refer to at any time.

Furthermore, the Company specifies the standards for rewards and penalties in the work rules as a code of conduct for employee ethics. When employees encounter deeds worthy of rewards or behaviors that require disciplinary action, they will be rewarded or penalized according to this standard. In addition, in April 2006, the “Code of Ethics” was established to guide the behavior of the Company's directors, supervisors, and managers to conform to ethical standards and to help stakeholders better understand the Company's ethical standards. The main content of the regulations are:

A. Following the regulations of the Company's “Related Party Transaction Operating Procedures” to prevent personal interests from interfering with the overall interests of the Company.
B. Avoiding the opportunity for directors or managers to seek personal gain through the advantage of their positions.
C. Directors or managers should have a duty of confidentiality for the information related to the Company itself or its customers, except for authorized or legally required disclosures.
D. Treating the Company's purchase (sales) customers, competitors, and employees fairly, and not gaining undue benefits through manipulation.
E. Protecting and using the Company's assets appropriately, and ensuring that they are effectively and legally used for official business.
F. Strengthening compliance with securities laws and other laws and regulations.
G. Encouraging reporting of any illegal or behavior that violates the Code of Ethics.
H. In case of violation of the Code of Ethics by directors or managers, in addition to the established disciplinary measures, relevant appeal mechanisms will be established to provide a way for violators to seek remedy.

(4) Work environment, employee personal safety and personal information protection measures

To ensure the safety of employees in the workplace, the Company has implemented the “proposal improvement system” and “5S activities” to improve the working environment; we have implemented “automatic inspections” and carried out “high-level executive-led inspections” and “mobile management” to ensure the safe use of equipment. We also regularly conduct “work environment monitoring,” “health checks,” and “special medical examinations” and observe and improve the work of personnel who have received second-class or higher results, to maintain employee health. Since October 2019, we have engaged on-site doctors and nurses from contracted labor health service providers to provide health guidance and counseling, as well as holding relevant health lectures, to promote employee physical and mental health. We provide necessary safety and protective equipment such as work clothes, safety shoes, earplugs, and earmuffs, and require employees to wear and use them in accordance with regulations to avoid injury. We provide safety and hygiene education and training for new and existing employees to enhance safety awareness. In 2025, the Company implemented standard operating procedures for migrant workers and provided workplace safety education and training. Additionally, regular disaster prevention drills were conducted to ensure proper preventive measures and correct emergency response procedures in case of accidents.

The implementation status is explained as follows:

Goal/objective	Counter-measure	Description of current situation	Implementation Status
Total Improvement/ Improve on-site environment	Proposal for Improve-ment System	Using 5M's (Manpower, Machines, Materials, Methods, Measurements) change-management in factory management", on-site personnel take the initiative to raise questions and improvement plans to make production operations smoother.	1. Each plant proposes a specific issue for discussion, and the responsible department analyzes the proposal for improvement and scores. The ones whose proposal are approved will be rewarded. 2. Any departments and individuals are ranked in the top 3 with the contribution of good proposals will be praised by the Company.
Build a comfortable working Environment	5S activities	Using "5S management activities", on-site supervisors and related personnel conduct audits in the working environment.	1. Assign shifts for the on-duty inspectors. 2. Collect "audit results" and implement "review and tracking" management.
Carry out the Company's Business Philosophy and Emphasize the Safety and Health of Employees	Inspection led by high-level supervisors	Implement inspection by team led by Highest-level supervisors (Assistant VP or Factory Chief)	1. Assign shifts for the on-duty inspectors. 2. Collect "audit results" and implement "review and tracking" management.
Safety Instruction and Observation	Walking Manage-ment	Implement personnel instruction and observation	1. Education and Training 2. Personnel Observation 3. Night Patrol Report the results to the supervisors and follow up.
Employee Health Management	Contracted medical profession-als and nurses visit the factory for medical services	In accordance with the regulations, the contracted medical professionals and nurses will provide services in the factory since October 2019	In addition to implementing the following factory visit service matters in accordance with laws and regulations, it also arranges to hold health-related seminars from time to time to promote the physical and mental health of employees. 1. Analysis and evaluation of labor physical (health) examination results, health management and data storage. 2. Assist employers in selecting workers for appropriate work. 3. Handle tracking management and health advises for persons with abnormal health examination results. 4. Handle the assessment and case management of workers under the age of 18, workers at risk of maternal health hazards, workers with occupational injuries and diseases, and workers with high risks related to occupational health. 5. Relevant research reports on occupational health or occupational health and the preservation of injury and disease records. 6. Planning and implementation of measures such as labor health education, sanitation guidance, physical and mental health protection, and health promotion. 7. Prevention of work-related injuries, health consultation, first aid and emergency treatment. 8. Periodically report to employers and provide suggestions on labor health services. 9. Other announcements designated by the central competent authority.

In addition to complying with the relevant regulations of the competent authority, the Company has established a "Safety and Health System Management Regulation" which specifies various safety and health regulations, operation points or guidelines. It clearly defines the safety and health organizational structure and regulates its responsibilities. The "Occupational Safety and Health Committee" is also held regularly to implement safety and health management, continuously improve the working environment and strive for zero harm. To continuously strengthen our occupational safety and health management and protect employees from workplace hazards, the Company's Guantian Factory has been implementing the Occupational Safety and Health Management System (OHSAS 18001) since 2012 and has obtained third-party certification. After the release of ISO 45001:2018, we re-examined the implementation performance of the system within the plant to reduce occupational accidents and occupational safety and health risks. Our goal is to reduce, eliminate, or prevent workplace hazards such as electric shock, fire, falling, flying debris, falling objects, chemical exposure, etc. by proper design, engineering and administrative controls, protective maintenance and safety operating procedures, as well as safety knowledge training. We have established procedures and implemented relevant safety measures to ensure the safety of employees, temporary workers, contractors, visitors, and any stakeholders who are present at the workplace. We evaluate the risks and opportunities identified from internal and external links of company policies, operations, or service safety and health related issues, and the concerns of stakeholders in order to take early action and control measures. We also plan and implement an occupational safety management system through a PDCA framework consistent with ISO 9001. We check the implementation of the system through internal audits, management reviews, automatic inspections, safety and health patrols and other mechanisms. We take immediate action upon discovering safety and health risks or improvement opportunities to achieve sustainable operation purposes and ensure the continuous and effective operation of the safety and health management system.

The company has established an internal control system for personal information protection. This system governs the management and maintenance of personal data of employees, suppliers, customers, and shareholders by authorized personnel. Personal information is for internal management use only and may not be copied, reproduced, borrowed, transferred, destroyed, hidden, stolen, disclosed, or leaked to third parties without authorization.

4.5.2 Losses incurred in the current year and up to the date of printing of the annual report due to labor disputes

(1) The 2025 violations identified in labor inspections and up to the printing date of the 2026 annual report

Date	Letter No.	Factory	Regulation Violated	Content	Amount of punishment
2026/01/30	Lao Zhi Shou No.1150250463	Processing Plant	Article 6, Paragraph 1 of the Occupational Safety and Health Act Article 63, Subparagraph 2 of the Safety Regulations for Lifting Appliances	Failure to verify whether the strength, specifications, and safety factors of lifting gear complied with relevant requirements.	NT$110,000

(2) Remedial measures: The Company has made improvements in compliance with relevant laws and regulations.

4.6 Cyber Security Management

4.6.1 Cyber Security Policies

We complied with “Related rules and regulations for the establishment of corporate governance within corporate governance structure in Market Observation Post System” to reduce information security risks associated with information applications. The Company has established this Information Security Management Policy as the basis for all our employees to follow information security to ensure the security of our software, equipment and Internet.

The policy is established to avoid improper use or intentional damage to the information system by internal or external personnel, or to respond quickly to the disposal and return to normal operation in the shortest possible time, and to reduce the damage or business interruption that may be caused by the incident when an emergency such as improper use or intentional damage has occurred. This policy applies to all employees of the Company. To reduce the impact of internal human factors on information security, we implement information security training for new employees to increase their awareness and knowledge of information security.

4.6.2 Management Framework

(1) The Information Department is responsible for coordinating information security and developing management control procedures, implementing relevant matters, and internal audits are conducted periodically by the auditing team.
(2) Proactively defend against internal and external network attacks that may cause damage; regularly review information security and information protection policies to ensure the effectiveness of information security management measures.
(3) Prevent production losses caused by power outages, viruses, and equipment failures.

4.6.3 Concrete Management Programs

(1) Account and password management operations: The Company has strict control over computer login and system accounts for employees. Application must be approved by the supervisor before authorization can be granted. All computer privileges are disabled when an employee leaves. A mandatory password update cycle of three months has been established to strengthen information security.
(2) Network security management operations: Network equipment is managed by a person who monitors the status of the network at all times. Firewall is established for external network to prevent network intrusion and attack. All computers are protected with anti-virus software.
(3) To reduce the risk of computer virus by user-operated software, external USB devices are controlled by software to users accessing USB at will.
(4) Security control of network access: We provide network services and data access for internal personnel. For network services with remote access to the intranet system, a two-stage authentication and identification process is performed and a firewall is used for security control.
(5) Critical network hardware equipment is equipped with an uninterruptible power supply system to prevent abnormal power failure conditions.
(6) The computer host system and its related storage and network connection equipment are located in a dedicated server room with security access control, and the access of personnel is strictly controlled.
(7) Daily backup of the ERP system database, annual disaster recovery exercises and the establishment of off-site data backup are in place to ensure that data can be quickly rebuilt back to the system to maintain the normal operation when a disaster occurs.
(8) External audit: Deloitte & Touche also conducts audits of the Company's information-related practices and information security each year.
(9) Information System Development Management: Access rights to source code should be segregated among system development and maintenance personnel. Additionally, the accuracy of data processing within information systems and the security of the system development environment should be ensured.

4.6.4 Investments in Resources for Cyber Security Management: New employees are required to complete an information security awareness video.

4.6.5 Risks and Countermeasures for Cyber Security

The Company has established network and computer-related information security measures, but there is no guarantee against malicious hackers attempting to compromise the Company's network systems with computer viruses or ransomware that could affect the Company's operations and cause losses.

4.6.6 Material Information Security Incidents: None.

4.7 Intellectual Property Management

To effectively manage and protect intellectual property, the Company has established the

"Intellectual Property Rights Management Regulations" to promote and implement relevant management mechanisms. The implementation status is reported to the Board of Directors by the corporate governance officer at least once a year.

The operational status for 2025 was reported to the Board of Directors on November 12, 2025, as follows:

(1) The Company has implemented intellectual property management in accordance with the "Intellectual Property Rights Management Regulations."

(2) The Company continues to strengthen employees' awareness of intellectual property rights by incorporating "Information Security Courses" into mandatory training for new employees.

(3) All employees have signed confidentiality agreements to strictly prevent the leakage of the Company's confidential information.

(4) In 2025, the Company's information system firewall operated normally, and there were no incidents of unidentified intrusions during the year.

4.8 Important Contracts

Contracts	Parties concerned	Date	Contents	Restriction terms
Syndicated Loans Contract	Mandated Arrange: Chang Hwa Ban, Hua Nan Commercial Bank, Kaohsiung Bank, Taishin International Bank, Shanghai Commercial & Savings Bank, Taiwan Land Bank, Mega International Commercial Bank, National Agricultural Bank, Banxin Commercial Bank, International Bills Finance Corporation, Mega Bills Finance Corporation, China Bills Finance Corporation, Ta Ching Bills Finance Corporation, a total of 13 financial institutions (including management banks), collectively referred to as Credit bank group.	1. The signing date was 2024/12/18. 2. Credit period 2.1 Item A to Item C and F-2: From the date of first use (2025/02/27) to the day when it expires in 5 years. Item E-1: From the date of first use (2025/02/27) to the day when it expires in 3.5 years. 2.2 Item D, E-2, F-2: From the date of first use (2025/02/27) to the expiry date of one year, the contract shall be renewed once a year, up to 4 times, and the maximum shall not exceed 5 years from the date of first use	1. Sign a joint credit agreement with a credit bank group with a total credit limit of NT$7.6 billion. 2. Credit purpose 2.1 For the repayment of existing financial institution debts (including but not limited to the balance of the 2022 syndicated loan), as well as for the purchase of materials, enhancing mid-term operational cash flow, and issuing commercial paper guarantees. 2.2For the construction of solar power generation equipment and the purchase of machinery and equipment.	Financial Commitment
Lease	Chailease Holding Company Limited	2017/04/05~ 2037/04/05	Lease the roof of Madou Factory to install Solar energy equipment (429.2KW)	1. Without the written consent,

Contracts	Parties concerned	Date	Contents	Restriction terms
			Lease the roof of Madou Factory to install Solar energy equipment (452.4KW)	shall not be sub-leased, sublet or transferred to others. 2.Not for illegal use or storage of dangerous goods 3. If there is a need for modification, consent must be obtained, and the original building must not be damaged
	SHINFOX ENERGY.	2022/06/30~ 2042/06/30	Lease the roof of Kuantien Factory to install Solar energy equipment (2599.6KW)	
			Lease the roof of Kuantien Factory to install Solar energy equipment (3014.44KW)	
			Lease the roof of Madou Factory to install Solar energy equipment (1144.1KW)	
Lease	E-Sheng Steel Co., Ltd.	2021/11/01~ 2040/10/31	Supplemental Lease Agreement for Rolling Factory at Guantian Site	-
Equipment	Delta Electronics (USA) Inc.	Contract Date: June 12, 2024. To be completed after equipment delivery and acceptance.	80 MW / 305.8 MWh EdReg Energy Transfer Dynamic Adjustment Reserve Service Energy Storage Equipment	
Engineering	Wanchuan Construction Co., Ltd.	Contract Date: August 13, 2024. To be completed after construction work and acceptance.	80 MW E-dReg Energy Storage Site Civil Works Contract	
Engineering	UNITED ELECTRICAL POWER CO., LTD	Contract Date: December 05, 2024. To be completed after construction work and acceptance.	80 MW E-dReg Energy Storage System Site Construction and Integration, including Extra High Voltage Equipment Installation	

5. Review/Analysis of Financial Performance, and a Listing of Risks

5.1 Consolidated Financial Status

Unit: NT$ thousand

Item \ Year	2025	2024	Differences	
			Amount	%
Current assets	3,983,505	4,257,120	(273,615)	-6%
Property, plant, and equipment	3,982,450	3,798,486	183,964	5%
Intangible assets	264,775	253,036	11,739	5%
Other non-current assets	5,421,354	4,927,607	493,747	10%
Total assets	13,652,084	13,236,249	415,835	3%
Current liabilities	3,733,834	3,577,094	156,740	4%
Non-current liabilities	3,486,456	2,658,761	827,695	31%
Total Liabilities	7,220,290	6,235,855	984,435	16%
Common Shares	4,468,747	4,468,747	-	0%
Capital surplus	575,758	579,374	(3,616)	-1%
Retained earnings	(106,110)	120,730	(226,840)	-188%
Other equities	70,690	271,345	(200,655)	-74%
Treasury Stocks	(269,970)	(267,966)	(2,004)	1%
Total equity attributable to owners of the Corporation	4,739,115	5,172,230	(433,115)	-8%
Non-controlling interests	1,692,679	1,828,164	(135,485)	-7%
Total equity	6,431,794	7,000,394	(568,600)	-8%

Explanation of significant changes in assets, liabilities, and equity during the past two years and their impact, as well as future plans to address them:

1. Increase in Non-Current Assets: Primarily due to an increase in long-term borrowings.
2. Decrease in Retained Earnings: Mainly due to a net loss after tax in 2025.
3. Decrease in Other Equity: Mainly due to a decrease in unrealized valuation losses on financial assets measured at fair value through other comprehensive income in 2025.

5.2 Consolidated Financial Performance

Unit: NT$ thousand

Year Item	2025	2024	Difference	%
Sales	2,734,198	3,281,159	(546,961)	-17%
Cost of goods sold	2,722,218	3,105,323	(383,105)	-12%
Gross profit	11,980	175,836	(163,856)	-93%
Operating expenses	414,716	412,108	2,608	1%
Profit on operations	(402,736)	(236,272)	(166,464)	70%
Non-operating income and expenses	100,160	413,009	(312,849)	-76%
Profit before income tax	(302,576)	176,737	(479,313)	-271%
Net profit for the year	(300,314)	164,213	(464,527)	-283%
Other comprehensive income (loss) for the year, net of income tax	(236,763)	(389,876)	153,113	-39%
Total comprehensive income for the year	(537,077)	(225,663)	(311,414)	138%
Net profit attributable to owners of the corporation	(239,440)	119,485	(358,925)	-300%
Net profit attributable to non-controlling interests	(60,874)	44,728	(105,602)	-236%
Total comprehensive income attributable to owners of the corporation	(425,730)	(225,085)	(200,645)	89%
Total comprehensive income attributable to non-controlling interests	(111,347)	(578)	(110,769)	19164%

5.2.1 Major reasons for significant changes in operating revenue, operating profit, and pre-tax profit

in the past two years

The gross profit for this year has decreased compared to last year, primarily due to a decline in both sales volume and prices, affected by the sluggish domestic real estate market, declining market demand, and the significant downturn in the domestic tourism market.

5.2.2 Reasons for changes in the Company's main business scope, if operating policies, market conditions, economic environment, or other significant changes in internal and external factors have occurred or are expected to occur, the facts and influential changes and the possible impact on the Company's future financial operations and corresponding plans

Explanatory Notes: None.

5.2.3 Expected sales quantity and its basis, possible impact on the Company's future financial business, and response plan

Explanatory Notes: The Company's operations primarily focus on the production and sale of raw materials such as spheroidized wire derived from rolled wire rods, supplemented by downstream processing products including screws, hot-dip galvanized wires, and galvanized wires. Over the years, the Company has gradually shifted toward expanding the production and sales of higher value-added finished products closer to end-users, such as screws and various types of galvanized wires, while wire rods have become a supplementary product. Since 2020, the expansion of the screw plant, the establishment of heat treatment and screw manufacturing facilities, and the upgrading and integration of galvanizing and spheroidizing production lines have been progressively completed and put into mass production. The total manufacturing and sales volume for the Company in 2026 is expected to be approximately 168,000 metric tons.

5.2.4 The Company's provision for and write off of bad debts policy

(1) Purpose: To timely reflect the possibility of collecting the account receivables and ensure the evaluation of account receivables, this policy is specially formulated.

(2) The basis for provision: The amount of provision for bad debts is estimated based on the experience of historical loss. (In order to reflect the current situation, the historical experience should be adjusted by incorporating the information that did not exist in the past but currently available and excluding the information that affected the situation in the past but no longer exists.) Also, an evaluation will be made for the objectively existing evidence of asset impairment obtained from individual evaluations to present the bad debt provision quarterly. The calculation method of the amount of overdue accounts receivable is based on the overdue days of accounts receivable.

Day / Item	0~90 days	Over 90 days
Non-Affiliates	Based on the experience of loss in the past three years, the percentage of provision is estimated for the following year. The average provision percentage is 0.39% in 2025.	The provision percentage is presented after an evaluation is made for the objectively existing evidence of asset impairment obtained from individual customers.
Affiliates	No provision	No provision

5.2.5 The Company's policy of allowance to reduce inventory to market

(1) Inventory valuing table–in accordance with the evaluation method specified in IAS 2

Raw material: compare the cost of ending inventory and net realized value

Work in process and finished goods: compare the cost of ending inventory and net realized value

Net realized value=expected selling price* Net realized rate

Net Realized rate= (Sales-variable promotion expense)/ Sales

Ending inventories should be measured based on the concept of the lower of cost and net realized value. It means that if the cost is lower than net realized value, the cost is accounted, and if the net realized value is lower than the cost, the net realized value is accounted. In other words, when inventory loss exists, the loss should be presented, but when the appreciation of inventory shall not be accounted because the inventory is unsold, and the appreciation of inventory is unrealized.

(2) LCM inventory valuing table: compare the difference of inventory and net realized value with the total of allowance to reduce to market. When net realized value is lower than the cost to the extent of exceeding the total allowance to reduce to market, additional allowance to reduce inventory to market should be accounted.

5.2.6 Supplementary operating department information

(1) The sales of products and services of the Company and its subsidiaries are mainly based on the domestic market, and the main export areas of the products are the United States and Europe.

(2) Domestic Sales in 2025 and 2024:

Year	2025		2024	
Customer	Amount (NT$ thousand)	%	Amount (NT$ thousand)	%
B003	261,563	9.57	241,080	7.35
B002	160,233	5.86	291,095	8.87

(3) Accounting for 18.60% of consolidated operating revenue, the largest customers in 2025 and 2024 are as follows:

Year	2025		2024	
Customer	Amount (NT$ thousand)	%	Amount (NT$ thousand)	%
B005	486,483	17.79	354,972	10.82

5.3 Consolidated Cash Flow

Cash Equivalents, Beginning of Year ①	Net Cash flow from Operating Activities ②	Cash Outflow ③	Cash Surplus (Deficit) ①+②-③	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
522,799	(95,158)	(133,376)	294,265	-	-

5.3.1 Analysis of changes in cash flow for the current year

(1) Net cash outflow from operating activities decreased, although there was a pre-tax net loss in 2025, primarily due to the disposal gain of equity-method investments in 2024, which resulted in a net cash outflow from operating activities in 2024, with no such transactions in 2025.

(2) Net cash outflow from investing activities decreased, mainly due to lower purchases of financial assets measured at fair value through other comprehensive income compared to 2024.

(3) Net cash inflow from financing activities decreased, mainly due to an overall increase in borrowings and rising interest rates, resulting in higher finance costs, as well as continued increases in right-of-use assets during the preparation stage of Chateau Real Estate, leading to higher lease payments.

5.3.2 Remedy for a lack of cash and the analysis of liquidity

(1) Remedies for a lack of cash: None

(2) Analysis of liquidity:

Year	2025	2024	Difference (%)
Cash flow Ratio (%)	(2.5)	(8.8)	-72%
Cash flow Adequacy Ratio (%)	19.4	26.4	-27%
Cash Reinvestment Ratio (%)	(1.0)	(3.0)	-67%

Explanation of Changes in Ratio Analysis: The cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio have changed primarily due to an increase in raw material purchases compared to 2023, resulting in a higher net cash outflow from operating activities compared to the same period last year.

5.3.3 Analysis of cash flow liquidity in the coming year

Estimated Cash and Cash Equivalents, Beginning of Year	Estimated Net Cash flow from Operating Activities	Estimated Cash Outflow (Inflow)	Cash Surplus (Deficit)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
294,265	(20,155)	(154,378)	119,732	-	-

(1) Analysis of changes in cash flow in the coming year

A. Operating cash flow: It is expected that the net cash outflow from operating activities for the whole year of 2026 will be approximately NT$20,155 thousand, as the economic conditions are expected to be stable.

B. Total cash outflow for the year: After purchasing energy storage equipment and repaying bank loans, it is expected that the total cash outflow will be approximately NT$154,378 thousand.

C. The year-end cash balance is expected to be approximately NT$119,732 thousand.

(2) Remedial measures and liquidity analysis for estimated cash shortage: N/A.

5.4 Significant Impact of Major Capital Expenditure in the Past Year on the Financial Status

On December 18, 2024, the company signed a syndicated loan agreement with a total credit limit of NT$7.6 billion with a consortium of lending banks. The loan is intended for repaying existing financial institution debts (including but not limited to the outstanding balance of the 2022 syndicated loan), replenishing procurement and mid-term operating working capital, providing guarantees for commercial paper issuance, constructing an energy storage system, acquiring related auxiliary equipment, and supporting the operation of the energy storage project. This arrangement has no significant adverse impact on the company's overall financial condition.

5.5 Recent year's investment policy, the main reasons for profit or loss, improvement plans, and investment plans for the next year.

The Company's investment policy is mainly diversified management. Currently, the invested businesses span across cement industry, securities industry, leisure hotel industry, bicycle industry, etc., aiming to achieve synergies and enhance shareholders' equity through investment income. In 2025, the proportion of the Company's share of profit or loss from the equity-method-accounted associated enterprise was NT$ 91,934 thousand. The Company will strengthen investment management, implement performance evaluation system, and promote business synergies in the future. The investment plan for the next year is to continue downstream sustainable products related to the steel industry, such as the establishment of a screw factory, to enhance product vertical development and improve industry competitiveness, increase value-added and create benefits. The investment plan for the coming year focuses on diversified operations, including the establishment of an energy storage facility in the Madou Industrial Park in Tainan, marking the Company’s expansion into the energy sector.

5.6 Analysis and Assessment of Risk Issues in the Past Year and as of the Date of Publication of the Annual Report

5.6.1 Impact of interest rate, exchange rate fluctuations, and inflation on the Company's income and future response measures.

(1) Interest Rate Fluctuations: As of 2025, the consolidated company has short-term borrowings of NT$663,114 thousand, short-term notes payable of NT$2,574,008 thousand, current portion of long-term borrowings of NT$74,696 thousand, long-term borrowings of NT$3,032,342 thousand, and finance costs of NT$141,628 thousand. In

2024, the consolidated company had short-term borrowings of NT$971,559 thousand, short-term notes payable of NT$1,901,653 thousand, current portion of long-term borrowings of NT$225,695 thousand, long-term borrowings of NT$2,126,680thousand, and finance costs of NT$95,881 thousand. The interest rate risk of the consolidated company mainly comes from short-term purchases of materials and long-term liabilities generated to support operating activities. To mitigate interest rate risk, the consolidated company effectively allocates its long and short-term borrowings.

(2) Exchange rate fluctuations: The consolidated net foreign exchange profit of the Company in 2025 was NT$8,185 thousand, while the net foreign exchange loss in 2024 was NT$6,433. The main reason for this is that the Company's raw materials are mainly imported, and exchange rate fluctuations affect the cost of steel billets and foreign currency exchanges. The Company maintains appropriate inventory levels for raw materials and controls the amount of US dollar borrowings to reduce the risk of exchange losses.

(3) Inflation: There is no significant impact on the operations and profits of the merged company due to inflation.

5.6.2 Policies of engagement in high-risk and highly leveraged investments, loans to others, endorsements and guarantees and derivative trading, main reasons for profit or loss and future counter measures

(1) In 2025, the consolidated company did not engage in high-risk, high-leverage investments.

(2) In 2025, the consolidated company’s loan to others was mainly due to the needs of the working capital of its subsidiary which is borrowed from the Company, and it was handled in accordance with the Company’s “Procedures for Lending Loans to others.”

(3) The Company's endorsement guarantee for the year 2025 is mainly the endorsements guarantee provided for the subsidiary's bank to get new credit limit and is handled in accordance with the Company's “Procedures for Endorsement and Guarantee.” The maximum limit of the Company's endorsement and guarantee is the Company's net worth (approximately NT$4,739,115,000). As of the end of 2025, the actual amount of the endorsement and guarantee at the end of the period was NT$0.

(4) The reason why the consolidated company engaged in derivative commodity transactions is to avoid the risks arising from exchange rate fluctuations and is implemented in accordance with the policy and conservative principles specified in the Company's “Procedures for Dealing in Derivative Commodity Transactions”: None.

5.6.3 Starting from this year, the Company plans to increase our research and development (R&D) expenses by an additional NT$2,000,000. For more information on our future R&D plans, please refer to section 5.1.3.

5.6.4 Impact of Important Domestic and International Policies and Legal Changes on the Company's Financial Operations and Response Measures: The operating policies of the merged company are carried out in accordance with legal regulations, and attention is paid to important domestic and international policy and legal changes, and appropriate response measures are taken when necessary after consulting relevant experts. As of the date of printing of the annual report, the merged company has not been materially affected by any significant policy and legal changes at home and abroad that could impact its financial and business operations.

5.6.5 Impact of technological changes (including cyber security risks) and industry changes on the Company's financial and business operations, as well as response measures: As the steel rolling industry is a relatively mature industry in terms of technological development, most of the technological innovations are focused on process improvements and product quality enhancement, which help the production of steel rolling to move towards high quality and low cost. Therefore, based on nearly 40 years of manufacturing experience, the Company develops various types of steel wire rods in response to market demand, breaks through technical and equipment bottlenecks, enhances the added value of products, and provides customers with more comprehensive product content. In addition, the Company continues to improve its processes and equipment, as well as replace outdated equipment, to move towards high quality and low cost. Furthermore, the Company is able to timely grasp and analyze the trends of related industries, and all technical developments are based on the development trend of the market, which is sufficient to respond to the impact of technological changes and industry changes without having a negative impact on the financial and business operations due to technological changes.

5.6.6 Impact of corporate image changes on crisis management and response measures: The merged company's business philosophy is based on stability and integrity, and the corporate image has been good, with no incidents affecting the corporate image in recent years.

5.6.7 Anticipated benefits, potential risks and response measures for mergers and acquisitions: None.

5.6.8 The expected benefits, possible risks, and response measures of the expansion of factory:
The expansion of the Company's factory has been evaluated through a complete and prudent assessment process taking into account investment benefits and possible risks. Major capital expenditures also require approval from the Audit Committee and the Board of Directors. To reduce market risk, risk-sensitive considerations have been strengthened, and the implementation of performance assessments has been ensured.

5.6.9 Risks and mitigation measures related to purchasing and sales:
Over the past three years, the net purchase amounts from the top ten suppliers of the consolidated companies were NT$991,033 thousand, NT$1,974,603 thousand, and NT$ 1,242,634 thousand respectively, accounting for 88.09%, 92.61%, and 84.15% of the total consolidated net purchases. Except for the years 2024 where purchases from supplier A006 accounted for 37.52% , there were no cases where purchases from a single supplier exceeded 30% of total purchases.As the Company operates in a resource-intensive steel industry, with steel billets as its main raw material—partially sourced from Germany for special billets and otherwise supplied by long-term domestic and international partners—thus, looking at the sources and amounts of purchases, the consolidated company does not face a high concentration risk in procurement. Additionally, the sales amounts from the top ten customers in the last three years were NT$1,407,191 thousand, NT$ 1,662,847thousand, and NT$1,458,810 thousand respectively, accounting for 46.48%, 50.68%, and 53.35% of the annual consolidated net operating revenue. No single customer's sales accounted for more than 30% of the annual consolidated net operating revenue in any year. The Company, leveraging its excellent technology and product quality, continues to expand its customer base and enhance its export markets to diversify operational risks, ensuring no high concentration of sales risks for the consolidated company.

5.6.10 Impact, risk, and response measures related to the significant transfer or replacement of shares held by directors, supervisors, or shareholders holding more than ten percent of the Company's shares: There is currently no impact on the Company from such transfers or replacements.

5.6.11 Impact, risks, and response measures of changes in management control: None.

5.6.12 Litigation or non-litigation events:

To expand its catering business operations, the Company entered into a share purchase agreement in August 2018 with Mr. Tseng Chun-Shin, the former shareholder of MinChi Co., Ltd. (hereinafter referred to as "MinChi"). The agreement involved the acquisition of 55% of MinChi's shares for a total consideration of NT$77,000 thousand. The Company successively completed the share transfers between August and October 2018, and paid NT$38,000 thousand (including NT$5,000 thousand subsequently recognized by the Supreme Court as having been paid). In addition, pursuant to the Supreme Court judgment (as described below), the Company paid NT$11,500 thousand in December 2022.

However, as Mr. Tseng failed to deliver MinChi’s account books, supporting documents, financial statements, and land ownership certificates as stipulated in the agreement, the Company refused to pay the remaining NT$27,500 thousand for the shares. This unpaid amount was recorded under other payables.

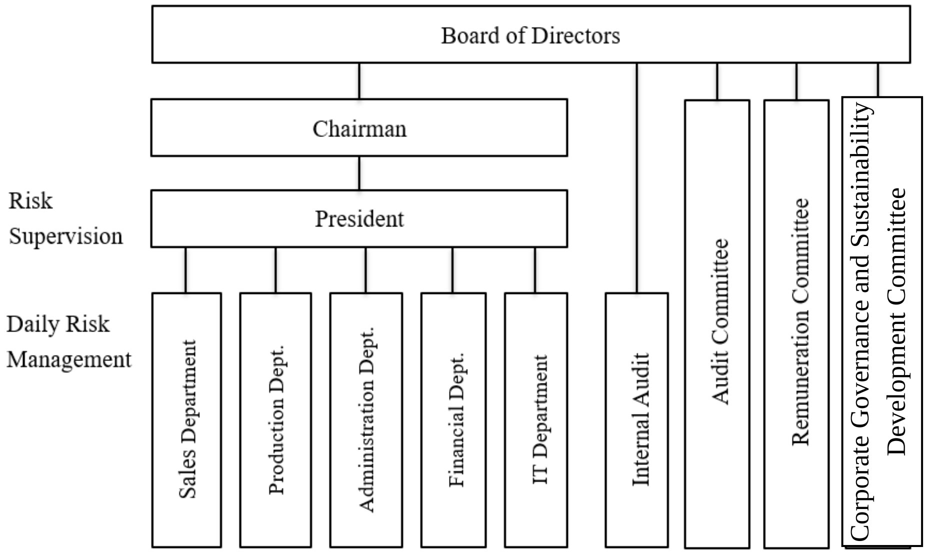
On May 22, 2020, the Taiwan Tainan District Court rendered a first-instance judgment ordering the Company to pay the third installment of NT$16,500 thousand, along with interest calculated at an annual rate of 5% from October 16, 2018 until the date of full payment. The Company appealed the judgment, but the appeal was dismissed by the Taiwan High Court Tainan Branch on March 31, 2022. Believing the judgment contained significant errors, the Company appointed legal counsel to file a third-instance appeal on June 2, 2022 to safeguard its legal rights. On December 15, 2022, the Supreme Court upheld the first-instance ruling, affirming the obligation of the Company to pay NT$11,500 thousand in principal and interest to Mr. Tseng. The Court further acknowledged that NT$5,000 thousand of this amount had already been paid; however, the second-instance court failed to deduct this from the payable amount and erroneously dismissed this part of the appeal. As a result, the Supreme Court remanded the case to the Taiwan High Court Tainan Branch for further adjudication. Subsequently, Mr. Tseng withdrew the remanded claim in the second instance, and the case was concluded without any financial impact on the Company.

Separately, on January 19, 2023, Mr. Tseng filed another lawsuit seeking payment of the 4th to 6th installments of the share purchase price. This case was heard under 2023 Zhong-Su-Zi No. 18 by the Tainan District Court, which ruled in favor of the Company on September 13, 2023. Mr. Tseng then appealed the decision under case No. 2023 Zhong-Shang-Zi No. 131. On May 29, 2024, the Tainan District Court dismissed the appeal, thereby concluding the case. As the unpaid share purchase amounts had already been recorded in the accounts, there was no impact on the Company’s financial position.

5.6.13 Other Significant Risks and Response Measures: None.

5.7 Other Important Matters

5.7.1 The organization structure of the Company's risk management: The Company’s risk response organization functions with the board of directors acting as the highest unit, authorizing the corporate governance officer to act as the risk management convener to coordinate and direct the promotion and operation of “risk supervision” and “daily risk management.”



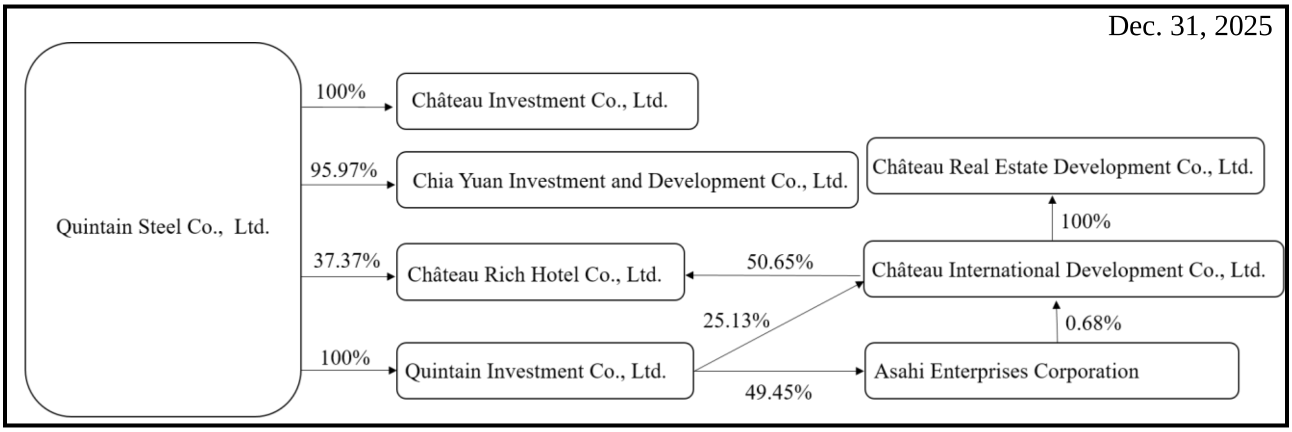
5.7.2 Main risk management items–daily risk management

(1) **Sales department**: Credit management and accounts receivable management.
(2) **Production department**: Management of pro duction efficiency and effectiveness.
(3) **Administration department**: The management of administrative affairs
(4) **Financial department**: The Company and some subsidiaries' financing and investment activities management.
(5) **IT department**: Computer operation and information security management.
(6) **Internal audit**: Compliance with laws and regulations of the Company and its subsidiaries and various operational control activities.
(7) **Audit Committee**: Assist the board of directors to supervise the Company's quality and integrity in the implementation related to accounting, auditing, financial reporting procedures and financial control.
(8) **Remuneration Committee**: Assist the board of directors to implement and evaluate the Company's overall remuneration and welfare policies, as well as the remuneration of directors and managers
(9) **Corporate Governance and Sustainability Development Committee:** Acts as the coordinating unit of the Company’s sustainability development policies, and provides directors with necessary information in order to perform their duties, as well as the latest developments in laws and regulations related to sustainable operations, to assist directors and the Company in complying with applicable laws and regulations.

6. Other Items Deserving Special Mention

6.1 Information Related to the Company's Affiliates

6.1.1 Organization Chart of Affiliates



6.1.2 Information of Affiliates

Unit: NT$ thousand

Name of affiliates	Date of Establishment	Address	Paid-in Capital (NT$ Thousands)	Main Business
Château Investment Co., Ltd.	Apr. 1999	2, Lane 109, Sec. 1, Jian Kang Rd., Tainan City	50,000	Investment
Quintain Investment Co., Ltd.	Nov. 1995	2F, No 133, DayingVillage, XinShi District, Tainan City	810,804	Investment
Chia Yuan Investment and Development Co., Ltd.	Jan. 1995	2, Lane 109, Sec. 1, Jian Kang Rd., Tainan City	131,000	Investment
Château International Development Co., Ltd.	Sep. 1995	No. 15, Ln. 218, Huancheng N. Rd., 21 Neighborhood, Wangsha Village, Hengchun Township, Pingtung County	1,431,697	Recreation Hotel
Asahi Enterprises Corporation	May 1972	No. 336, Zhongzheng 3rd St., Yanxing, Yongkang Dist., Tainan City	266,700	Production and sales of bycycle
Château Rich Hotel Co., Ltd.	Dec. 2011	B1, 1F, 2F, 3F, 4F, 7F-1, 7F-2, 8F-1, 8F-2, 9F-4, 12F-1, 12F-2, 12F-3, 12F-4, 13F, 14F, 15F. No. 114, Chenggong Rd., North Dist., Tainan City	531,000	Recreation Hotel
Château Real Estate Development Co., Ltd.	Sep. 2024	4F-5, No. 188, Section 5, Nanjing East Road, Songshan District, Taipei City	600,000	Residential and Building Development for Sale

6.1.3 Information about common shareholders of entities presumed to have a controlling and subordinate relationship: None.

6.1.4 Overview of the operations of the affiliates: Please refer to section 6.1.2.

6.1.5 Information about the directors, supervisors and general managers of the affiliates

Unit: share; % March 31, 2026

Affiliate	Title	Name or Representative	Share holding	
			share	%
Château Investment Co., Ltd.	Chairman	Wang, Stanley C.T. (Representative of Quintain Steel Co., Ltd)	5,000,000	100.00%
	Director	Aaron Chen (Representative of Quintain Steel Co., Ltd)	5,000,000	100.00%
	Director	Hu, Pi-Shan (Representative of Quintain Steel Co., Ltd)	5,000,000	100.00%
	Supervisor	Chen, Chieh-Jen (Representative of Quintain Steel Co., Ltd)	5,000,000	100.00%
Quintain Investment Co., Ltd.	Chairman	Hsieh, Cheng-Cheng (Representative of Quintain Steel Co., Ltd)	81,080,400	100.00%
	Director	Cheng, Hsieh-Chia (Representative of Quintain Steel Co., Ltd)	81,080,400	100.00%
	Director	Lin, Hisen-Chang (Representative of Quintain Steel Co., Ltd)	81,080,400	100.00%
	Director	Chen, Chieh-Jen (Representative of Quintain Steel Co., Ltd)	81,080,400	100.00%
	Director	Hsueh, Nien-Chen (Representative of Quintain Steel Co., Ltd)	81,080,400	100.00%
	Supervisor	Wang, Stanley C.T. (Representative of Quintain Steel Co., Ltd)	81,080,400	100.00%
Asahi Enterprises Corporation	Chairman	Aaron Chen (Representative of Quintain Investment Co., Ltd)	13,187,132	49.45%
	Vice Chairman	Chen, Mi-Chuan	2,958,338	11.09%
	Director	Chen, Hsieh-Tung	3,430,889	12.86%
	Director	Chen, Yu-Tien	-	-
	Director	Chang, Ming-Yu (Representative of Quintain Investment Co., Ltd)	13,187,132	49.45%
	Supervisor	Chen, Chieh-Jen (Representative of Baulidu Investment Co., Ltd)	738,597	2.77%
Chia Yuan Investment and Development Co., Ltd.	Chairman	Hsieh, Cheng-Cheng(Representative of Quintain Steel Co., Ltd)	12,572,433	95.97%
	Director	Wang, Stanley C.T. (Representative of Quintain Steel Co., Ltd)	12,572,433	95.97%
	Director	Aaron Chen (Representative of Quintain Steel Co., Ltd)	12,572,433	95.97%
	Supervisor	Chen, Mi-Chuan	-	-
Château International Development Co., Ltd.	Chairman	Chen, Hsieh-Tung (Representative of Quintain Investment Co., Ltd)	36,406,318	25.43%
	Vice Chairman	Aaron Chen	3,737,404	2.61%
	Director	Yu, Kuo-Fang (Representative of Quintain Investment Co., Ltd)	36,406,318	25.43%
	Director	Chang, Hui-ju (Representative of Chung-Hsin Developement)	23,208,623	16.21%
	Director	Chen, Pin-Chun	2,883,023	2.01%
	Director	Chung Chia International Investment Co., Ltd.	7,221,500	5.04%
	Director	Chen, Mi-Chuan (Representative of Hsin-Shi Textile Co., Ltd.)	3,204,376	2.24%
	Director	Chen, Lung-Feng	-	-
	Director	Wang, Te-Cheng (Representative of Hsin Shih Textile Co., Ltd.)	645,326	0.45%
	Independent Director	Wang, Hung-Chuan	-	-
		Tai, Li-Min	-	-
		Jian, Han-Ru	-	-
Château Rich Hotel Co., Ltd.	Chairman	Chen, Hsien-Tung (Representative of Chateau International)	26,897,691	50.65%
	Vice Chairman	Chen, Mi-Chuan (Representative of Baulidu Investment Co., Ltd.)	2,242,239	4.22%
	Director	Chen, Yu-Tien (Representative of Quintain Steel Co., Ltd.))	19,845,175	37.37%
	Director	Wu, Chen-Liang (Representative of Fu Ming Investment)	1,872,656	3.54%
	Director	Chen, Chieh-Jen (Representative of Chateau International)	26,897,691	50.65%
	Supervisor	Tsai, De-Xang (Representative of Chia Chi Sdry)	2,242,239	4.22%
Château Real Estate Development Co., Ltd.	Chairman	Chen, Hsien-Tung (Representative of Chateau International)	60,000,000	100%
	Director	Aaron Chen (Representative of Chateau International)	60,000,000	100%
	Director	Wang,Ching-Chi (Representative of Chateau International)	60,000,000	100%

6.1.6 Overview of Operational Performance of Affiliates

Unit: NT$ thousand

	Capital	Total Asset	Total Liabilities	Total Equity	Sales	Gross Profit (Loss)	Net Income (Loss)	Earnings (Loss)per share (NT$)
							After Tax	After Tax
Château Investment Co., Ltd.	50,000	29,761	15	29,746	-	(44)	(39)	(0.01)
Quintain Investment Co., Ltd.	810,804	1,678,734	380,026	1,298,708	-	(1,194)	(11,655)	(0.14)
Chia Yuan Investment and Development Co., Ltd.	131,000	215,554	74,200	141,354	-	(44)	(1,749)	(0.13)
Château International Development Co., Ltd.	1,431,697	3,073,852	711,170	2,362,682	518,743	(46,387)	(69,819)	(0.49)
Asahi Enterprises Corporation	266,700	635,210	542,941	92,269	-	(2,168)	(8,560)	(0.32)
Château Rich Hotel Co., Ltd.	531,000	702,258	273,941	428,317	51,156	(34,543)	(32,006)	(0.60)
Château Real Estate Development Co., Ltd.	600,000	814,830	222,101	592,729	-	(11,138)	(6,678)	(0.11)

6.1.7 Statement on the consolidated financial statements with the affiliates

The Company’s information of year 2025 (from January 1, 2025 to December 31, 2025) shall be included in the preparation of the consolidated financial report of affiliates in accordance with the "Compilation Standards for the Consolidated Financial Statements of the Affiliated and the Relationship Report" The Company is the same as the Company that should be included in the preparation of the consolidated financial report of the parent-subsidiary company in accordance with IFRS 10, and the relevant information that should be disclosed in the consolidated financial report of the affiliated company has been disclosed in the aforementioned consolidated financial report of the parent-subsidiary company. The consolidated financial report of the affiliates would not be compiled.

6.1.8 Relationship Report: As a controlling company, the Company is not required to prepare a related party transaction report according to Article 369-12 of the Company Law.

6.2 Private Securities in the Past Year and as of the Date of Publication of the Annual Report

Explanatory note: None.

6.3 Other Necessary Supplementary Notes

6.3.1 The Company’s industry-specific key performance indicators:

According to the data from the Taiwan Steel and Iron Industries Association and the China Steel statistics database, the total supply of bar and wire products in 2025 was approximately 720,000 tons, along with the Company's product supply for the year. Based on this, it is estimated that the Company still has significant growth potential in the domestic rebar and wire processing market. Additionally, in response to market demand, our products continue to evolve and innovate. For example, the application of deformed bars in the construction industry, with monthly sales of deformed bars, both domestic and exports, totaling about 1,600 tons over the past three years, shows a growing trend year by year, clearly demonstrating our strong market competitiveness.

6.3.2 In the most recent year and as of the date of publication of the annual report, if there is an event that has a significant impact on shareholders' equity or securities prices as specified in Article 36, Paragraph 2, Subparagraph 2, of the Securities and Exchange Act: None.

7. Appendix

Public Company Internal Control System Statement
Representing Both Design and Operating Effectiveness

(This Statement is applicable in cases where the portions of the statement concerning compliance with laws and regulations extend to all laws and regulations)

Quintain Steel Co., Ltd.
Internal Control System Statement

Date:03 March 2026

The Company states the following with regard to its internal control system during fiscal year 2025, based on the findings of a self-evaluation:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as of 31 December 2025 (day, month, year) its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of financial reporting, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on 03 March 2026 (day, month, year), where 0 of the 11 (including 1 Attendance by Proxy) attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Quintain Steel Co., Ltd.

Chairman: Wang, Stanley C. T. (signature)

President: Hsieh, Cheng-Cheng (signature)

Quintain Steel Co., Ltd.

Chairman: Wang, Stanley C.T.

Printed on April 1, 2026