



Stock Code: 2034

2025 Annual Report



Printed on May 10, 2026

Annual Report is available at:

<http://www.ycinox.com>

Taiwan Stock Exchange Market Observation Post System:

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YOUR CHOICE FOR STAINLESS

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None.

VII. Corporate Website:

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I. A Letter to Our Shareholders

In 2025, the global stainless steel industry did not experience significant growth. In terms of volume, besides the impact of the Trump administration's tariff policies causing customers to defer orders, demand in European and American markets also slowed down. Regarding price, in addition to exchange rate fluctuations, nickel prices remained low and volatile with a downward trend throughout 2025, only showing signs of recovery in the fourth quarter.

As a result, compared to 2024, the Company's overall sales revenue decreased by approximately 13.6%. The gross margin declined from 12% to 9%, and the operating margin dropped from 4% to 2%. However, net income after tax turned a loss into a profit. This was primarily due to the cumulative inflation rate in Turkey exceeding 100% over the past three years. In 2024, the Turkish subsidiary recognized a hyperinflationary loss of NT\$843,703 thousand in accordance with the International Accounting Standard 29 (IAS 29), "Financial Reporting in Hyperinflationary Economies." Since 2025, following the change of the Turkish subsidiary's functional currency from the Lira to the US Dollar, the recognition of such hyperinflationary losses is no longer required.

1.1 2025 Business Report

1.1.1 Operation Result:

Unit: NT\$ thousands

Items	2025	2024	Variance	Variance (%)
Stainless Steel Pipe/Tube	8,137,622	8,475,753	(338,131)	(4.0)
Stainless Steel Sheet/Coil	4,193,265	5,804,723	(1,611,458)	(27.8)
Other Stainless Steel Products	155,257	187,215	(31,958)	(17.1)
Solar electricity sales	57,074	54,575	2,499	4.6
Total	12,543,218	14,522,266	(1,979,048)	(13.6)

1.1.2 Budget Execution:

Unit: Metric Ton

Items	2025 Actual	2025 Budgeted (Note)	Achievement rate (%)
Stainless Steel Pipe/Tube	83,966	83,802	100.2
Stainless Steel Sheet /Coil	55,878	55,551	100.6
Other Stainless Steel Products	1,901	1,829	103.9
Total	141,745	141,182	100.4

Note: The updated 2025 annual budget of YC INOX have been adopted by the Board of Directors on December 26, 2025.

1.1.3 Condensed Financial Status and Profitability:

Unit: NT\$ thousands

Items / Year		2025	2024
Financial Result	Operating Revenue	12,543,218	14,522,266
	Gross Profit	1,065,867	1,731,159
	Income from Operations	194,756	636,550
	Net Profit (Loss)	107,578	(103,494)
Profitability	Return on Total Assets (%)	1.3	0.3
	Return on Equity (%)	1.1	(1.1)
	Ratio of Profit (Loss) before Income Tax to Paid-In Capital (%)	1.2	(2.8)
	Profit Margin (%)	0.9	(0.7)
	Earnings Per Share (NT\$)	0.21	(0.22)

1.1.4 Progress in Research and Development:

The company operates within the stainless steel processing industry, with R&D efforts primarily focused on enhancing processing technologies, improving machinery and equipment, and optimizing production processes. Our production technology department is responsible for R&D, ensuring that our core process technologies are well-established and continuously refined toward full automation. This strategic shift aims to enhancing overall production efficiency, reducing labor dependency, and reinforce process stability.

In terms of equipment and process optimization, the Company actively adopts high-efficiency equipment and optimizes energy management systems to strengthen energy conservation and carbon reduction efforts. Innovations such as laser welding technology, zero-discharge automated pickling processes, and automated warehousing and material handling systems exemplify the Company's pioneering technologies in the industry, which have garnered customer acclaim for superior product quality and environmental protection.

To align with market demands and create high-value-added products, we have achieved significant breakthroughs in both stainless steel pipe and tube production speeds and sheet metal processing techniques. We believe these advancements will greatly contribute to market expansion and cost reduction.

1.2 Summary of 2026 Business Plan

1.2.1 Operating Strategy

- A. Develop high value-added products and processing techniques, to enhance the competitiveness of our products.
- B. Actively expand into overseas markets to diversify sales risks.
- C. Improve production efficiency and quality while driving down manufacturing costs.
- D. Strengthen the internal control systems to enhance corporate governance framework.
- E. Enhance employee training programs to elevate workforce capabilities, work quality, and performance.
- F. Continuously promoting sustainable development strategies and action plans, fulfill corporate social responsibilities, and achieving sustainable development goals.

1.2.2 Basis for Projected Sales

Looking ahead to 2026, the Turkish subsidiary's third facility, specializing in industrial piping, has commenced mass production in the third quarter of 2025. With increasing capacity utilization and a higher production ratio of high-margin industrial pipes, combined with the upward trend in nickel prices since early 2026 and reconstruction opportunities following the U.S.-Iran and Russia-Ukraine conflicts, we expect 2026 to deliver significant benefits to the YC Group.

1.2.3 Important Policies of Production and Marketing

- A. Continuing to implement automatic equipment, to improve production techniques and efficiency so the manufacturing costs can be reduced.
- B. In alignment with production line reengineering, equipment will be upgraded to enhance energy efficiency and environmental sustainability while boosting production output.
- C. Strengthening and integrating domestic and exporting sales channels and developing high value-added products to enhance market competitiveness.
- D. Continuously evaluating overseas production bases in response to the trend of regional economics of the world.
- E. Using financial instruments efficiently and strengthening customer credit checks to avoid bad debts and protect the Company's interests.

1.2.4 Future Development Strategies

In response to global industrial transformation and the trend toward sustainability, the Company will continue to focus on the stainless steel processing sector, dedicated to enhancing technological capabilities and advancing process automation. The Company's future development strategies will center on:

- A. Strengthening process automation and smart manufacturing;
- B. Expanding high-value product lines;
- C. Accelerating overseas deployment and international market expansion;
- D. Driving green transformation and sustainable operations.

1.2.5 Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment

Global stainless steel production capacity continues to expand, particularly in China and emerging markets in Southeast Asia, resulting in heightened competitive pressure, price volatility, and margin compression. The Company will respond by developing differentiated products and

offering customized services to strengthen customer loyalty and enhance competitiveness. In light of increasingly stringent environmental regulations and carbon-emission standards worldwide, the Company is actively implementing energy-saving and emission-reduction technologies and equipment. We also closely monitor developments in carbon tariffs, carbon footprint audits, and related policies to mitigate potential regulatory risks and increase market-entry opportunities.

The global economy continues to be influenced by inflation, interest rates, exchange rates, and geopolitical factors, leading to greater market demand volatility. The Company will adopt prudent financial strategies, flexible operational management, and diversified market deployments to mitigate the impact of external uncertainties on operations and ensure the Company's stable development.

Chairman: Chang, Chin-Yu

CEO: Chang, Chin-Yu

Chief Accounting Officer: Ni, Shih-Chun

II. Corporate Governance Report

2.1 Profile of Directors, CEO, Deputy General Managers, Senior Managers and Heads of Departments

2.1.1 Directors:

A. Profile of Directors (I)

As of April 18, 2026																				
Title	Nationality	Name	Gender / Age	Date of Elected (Note 1)	Term (Years)	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor(s) Shareholding		Shareholding by Nominee Arrangement		Major Education and Work Experiences	Current Other Positions in YC INOX and Other Companies	Other Officer, Director or Supervisor who are Spouse or Relatives within Second Degree			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Tai Chyang Investment Co., Ltd.	—	2024.06.17	3	1996.12.31	61,209,508	13.02	71,019,088	13.43	—	—	—	—	Department of Mechanical Engineering, Hwa Hsia University of Technology; CEO, YC INOX Co., Ltd.	Chairman, Tai Chyang Investment Co., Ltd. Chairman (Representative), Ji-Mao Investment Co., Ltd.	Director	Chang, Chin-Peng	Brother	Note 1
		Representative: Chang, Chin-Yu	M 61-70	2024.06.17		1995.10.21	20,761,774	4.42	22,417,503	4.24	—	—	—	—		Director	Chang, Po-Kai	Son		
Director	R.O.C	Chin Ying Fa Mechanical Ind Co., Ltd.	—	2024.06.17	3	2000.04.12	6,898,000	1.47	7,600,000	1.44	—	—	—	—	Business Administration, Faculty of Business Administration, Kindai University in Japan.	Director, Chin Ying Fa Mechanical Ind. Co., Ltd. Head of Chan Ying Investment Co., Ltd. Director, Acelon Chemicals & Fiber Corporation.	—	—	—	—
		Representative: Shih, Ya-Hui	F 51-60	2024.06.17		2023.12.21	2,611,127	0.56	2,819,361	0.53	—	—	—	—		—	—			
Director	R.O.C	Chang, Chin-Peng	M 51-60	2024.06.17	3	1995.10.21	26,030,000	5.54	28,265,865	5.34	—	—	—	—	Kuang-Hwa Vocational Senior High School of Technology; Deputy General Manager, Domestic Sales Department - Southern Region, YC INOX Co., Ltd.	Deputy General Manager, Domestic Sales Department - Southern Region, YC INOX Co., Ltd Supervisors (Representative), Ji-Mao Investment Co., Ltd.	Chairman	Chang, Chin-Yu	Brother	—
Director	R.O.C	Hsieh, Ming-Hong	M 61-70	2024.06.17	3	2021.08.23	2,452,072	0.52	2,647,622	0.50	182,955	0.03	—	—	M.D., PhD. Institute of Medicine, Chung Shan Medical University Chung Shan Medical University Hospital Chief, Department of Psychiatry	Chung Shan Medical University Hospital Attending Physician in the Department of Psychiatry Associate Professor, School of Medicine at Chung Shan Medical University	—	—	—	—
Director	R.O.C	Chang, Po-Kai	M 31-40	2024.06.17	3	2021.08.23	6,834,549	1.45	7,909,597	1.50	—	—	—	—	Bachelor of Business Administration University of Portland Manager, General Manager office, YC INOX Co., Ltd.	Director (Representative), Ji-Mao Investment Co., Ltd. Supervisor, Tai Chyang Investment Co., Ltd. Director (Representative), YC INOX TR Çelik Sanayi ve Ticaret A.Ş. Senior Manager of General Manager office, YC INOX Co., Ltd.	Chairman	Chang, Chin-Yu	Father	—
Independent Director	R.O.C	Chang, Wei-Lun	F 41-50	2024.06.17	3	2021.08.23	20,000	—	21,594	—	103,987	0.02	—	—	Bachelor of Accounting, National Taiwan University	CPA of CKH & W CPA Office	—	—	—	—
Independent Director	R.O.C	Yen, Wen-Pi	M 61-70	2024.06.17	3	2024.06.17	—	—	—	—	—	—	—	—	Master of Department of Accounting and Information Technology, National Chung Cheng University Partner, Ernst & Young, Taiwan	Independent Director, HUA YANG Precision Machinery Co., Ltd. Independent Director, Lightel Corporation Independent Director, Genius Electronic Optical Co., Ltd. Member of the Remuneration Committee, TURVO International Co., Ltd.	—	—	—	—
Independent Director	R.O.C	Wu, Ching-Chang	M 51-60	2024.06.17	3	2024.06.17	550,551	0.12	594,456	0.11	—	—	—	—	Lunghwa Junior College of Technology	Assistant to the General Manager, United Daily News Group Economic Daily News	—	—	—	—
Independent Director	R.O.C	Chen, Ming-Yu	M 61-70	2024.06.17	3	2024.06.17	126,000	0.03	136,048	0.03	519	—	—	—	Department of Chemical Engineering, Nanya Institute of Technology; Deputy General Manager of Administration Department, YC INOX Co., Ltd.		—	—	—	—

Note 1: The Chairman of the Company concurrently serves as the CEO for the purpose of improving operating efficiency and decision-making execution. However, in order to strengthen the independence of the board of directors, the Company is actively training promising person to succeed in the future. In addition, the Chairman of the Board of Directors closely communicates with the directors on current operating conditions and planning guidelines of the Company to implement corporate governance. Furthermore, the company has appointed four independent directors to enhance the functions of the Board of Directors and strengthen its supervisory role. At present, we have implemented following specific measures:

1. The current four independent directors are respectively proficient in accounting, and the industry, enabling them to effectively fulfill their supervisory functions.
2. All directors are scheduled to participate in professional director courses held by external institutions each year, to enhance the operational effectiveness of the board of directors.
3. In the functional committees, independent directors are be able to fully discuss/put forward suggestions to the Board of Directors as a way to implement corporate governance.
4. More than half of the board members do not concurrently serve as employees or managers.

B. List of Major Shareholders of Juristic Shareholder(s)

As of April 18, 2026

Name of Juristic Shareholder	Major Shareholders of Juristic Shareholders	
	Name of Shareholders	Shareholding Percentage (%)
Tai Chyang Investment Co., Ltd. (Note)	Chang, Chin-Yu	53.03
	Chang, Po-Kai	33.13
	Chang, Ya-Shan	13.84
Chin Ying Fa Mechanical Ind Co., Ltd.	Shih, Yu-Lung	19.67
	Shih, Sung-Lin	6.19
	Shih, Ya-Hui	5.96

C. Profile of Directors (II)

1. Directors' qualification and independent directors' independence status disclosure:

Name	Professional Qualification and Experiences	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chang, Chin-Yu	Current Chairman and CEO of the Company, has extensive work experience in the fields of business, finance, and corporate operations. With over 30 years of engagement in the stainless steel industry, he possesses the capabilities of operational management, marketing, and strategic leadership, which are essential for leading the Company towards sustainable growth and achieving long-term business objectives.	—	—
Shih, Ya-Hui	Graduated from the Department of Business Administration, Faculty of Business and Economics at Kindai University, Japan. She previously served as an Executive Manager at Pou Chen Corporation. Currently, she holds several key positions, including Director of Chin Ying Fa Mechanical Ind. Co., Ltd., Chairperson of Zhan-Ying Investment Co., Ltd., and Director of Acelon Chemicals & Fiber Corporation. Ms. Shih possesses extensive experience in operations, management, marketing, and innovation.	—	—
Chang, Chin-Peng	Currently serving as the Deputy General Manager in the Sales Department - Southern Region of the Company. He brings over 30 years of work experience in business and corporate operations, specializing in market strategy and possessing extensive experience in business promotion.	—	—
Hsieh, Ming-Hong	Holds a PhD degree in Institute of Medicine, Chung Shan Medical University (M.D.). He previously served as the executive Secretary of the Taiwanese Society of Psychiatry. Currently, he is an associate professor of the School of Medicine of Chung Shan Medical University and a practicing psychiatrist of Chung Shan Medical University Hospital. He possesses expertise in leadership decision-making and operational judgment.	—	—
Chang, Po-Kai	Bachelor's degree of Business Administration of University of Portland. He currently serves as senior manager in the general manager office of the Company and as an Executive Director of the Turkish subsidiary. He is proficient in strategic planning and possesses international outlook and global market competition judgment.	—	—

Name	Professional Qualification and Experiences	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chang, Wei-Lun	Bachelor's degree of Accounting of National Taiwan University. She specializes in financial accounting and tax auditing, and holds a CPA license of Taiwan. She is also a partner of CKH & W CPA Firm with over 10 years of practice experience.	All the independent directors meet the criteria for independence (Note 2)	—
Yen, Wen-Pi	Master's degree in Accounting and Information Systems from National Chung Cheng University. He specializes in financial accounting and tax auditing. He is also a partner of Ernst and Young with nearly 30 years of practice experience.		3
Wu, Ching-Chang	Served at United Daily News Group's Economic Daily News and has extensive industry experience and operation management skills.		—
Chen, Ming-Yu	Held the position of deputy general manager in the Administration Department of the Company before his retirement. He possesses the necessary work experience relevant to the Company's operations and has demonstrated expertise in leadership decision-making, operational judgment, business management, crisis management, and industry specialization within the core areas of the board's diversification initiatives.		—

Note 1: All directors are not subject to any circumstances specified under the provisions of Article 30 of the Companies Act.

Note 2: Status of Independence is as follows:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.
- (4) Not a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship, of any of the managers stated in preceding paragraphs,
- (5) Not a director, supervisor or employee of the companies with which the Company has a specific relationship.
- (6) There was no remuneration for business, legal, financial or accounting services provided to the Company or its affiliates in the most recent two years.

2. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

Article 20 of Corporate Governance Best Practice Principles of the Company stipulates that the composition of the Board of Directors shall consider diversity. Except that Directors who also serve as managers of the Company shall not exceed one-third of the number of Directors, the Company shall also consider its own needs such as operations, business models and development to nominate candidates. In order to formulate an appropriate diversity policy, it shall include, but not be limited to the following two standards:

- a. Basic conditions and values: gender, age, nationality and culture, etc.
- b. Professional knowledge and skills: professional background (such as law, accounting, industrial knowledge, finance, marketing or technology), professional skills and industry experience, etc.

In the re-election of Directors of the Company in 2024, three new Independent Directors joined the Board of Directors, which made the Company achieving the goal of limiting independent directors to no more than three terms, promoting rejuvenation and ensuring that more than half of the Directors are not concurrently served as employees or managers of the Company. At present, the Board of Directors of the Company has 9 Directors, including 4 Independent Directors (2 female members). The proportion of Directors who concurrently served as employee is 33%, while the proportion of female directors is 22%, and the proportion of Independent Directors is 44%. The Directors each have professional backgrounds such as CPAs and various industry management executives.

Currently, the company has not achieved one-third representation of female directors, primarily due to the steel industry's historical low participation of women in this field, resulting in fewer women in decision-making roles. Moving forward, the Company will actively seek qualified female candidates for board positions and continue to promote gender diversity, gradually increasing the proportion of female directors to achieve our diversity governance objectives.

The Company focuses on the goal of sustainable operation, to set the diversification goals for the board members, we aim to lower the average age of directors, limit the tenure of independent directors to a maximum of three terms, and increase the number of seats occupied by directors of different genders. In the future, when selecting Directors and Independent Directors candidates, new candidates will be considered, and appropriate diversification policies will be formulated and implemented according to operation and development needs.

✧ Professional backgrounds and core capabilities possessed by the members of Board of Directors of the Company are as follows:

Name	Gender	Served as an employee of the Company	Age				Terms of Independent Directors	Core Capabilities							
			31 to 40	41 to 50	51 to 60	61 and above	Sessions	Leadership and decision-making	Business operational judgment	Operating management	Financial and Accounting analysis	Crisis management	Industry expertise	Viewpoint of international trading	Sustainable Management
Chang, Chin-Yu	M	✓				✓		✓	✓	✓	✓	✓	✓	✓	✓
Shih, Ya-Hui	F				✓			✓	✓	✓	✓	✓	✓	✓	✓
Chang, Chin-Peng	M	✓			✓			✓	✓	✓		✓	✓		✓
Hsieh, Ming-Hong	M					✓		✓	✓	✓		✓			✓
Chang, Po-Kai	M	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓
Chang, Wei-Lun	F			✓			2	✓	✓	✓	✓	✓	✓		✓
Yen, Wen-Pi	M					✓	1	✓	✓	✓	✓	✓			✓
Wu, Ching-Chang	M				✓		1	✓	✓	✓		✓	✓		✓
Chen, Ming-Yu	M					✓	1	✓	✓	✓		✓	✓		✓

(2) Independence of the Board of Directors

- The Board of Directors of the Company consists of 9 Directors, including 4 Independent Directors (44%).
- There are 3 of the Board members have relationships within the second degree of kinship (33%). This proportion does not exceed the majority of seats, which complies with the provisions of Article 26-3, Paragraph 3 of the Securities and Exchange Act.
- There are 3 of the Board members (33%) concurrently served as employees, which is less than 1/3 of all seats. This has achieved the purpose of supervision.
- Currently the tenure of the 4 Independent Directors has not exceeded three terms

2.1.2 Profile of CEO, Deputy General Managers, Senior Managers and Heads of Departments

As of April 18, 2026

Title	Nationality	Name	Gender	Date of Effective	Shareholding		Spouse & Minor(s) shareholding		Shareholding by Nominee Arrangement		Major Education and Work Experiences	Current Position with Other Company	Managers are Spouse or within two Degrees of Consanguinity Each Other			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
CEO	R.O.C.	Chang, Chin-Yu	M	1999.11.01	22,417,503	4.24	—	—	—	—	Department of Mechanical Engineering, Hwa Hsia University of Technology; CEO, YC INOX Co., Ltd.	Chairman, Tai Chyang Investment Co., Ltd. Chairman (Representative), Ji-Mao Investment Co., Ltd. Chairman (Representative), YC INOX TR Çelik Sanayi ve Ticaret A.Ş.	Deputy General Manager of Domestic Sales Department-Southern Region Senior Manager of General Manager office	Chang, Chin-Peng Chang, Po-Kai	Brother Son	Note 1
Senior Manager of General Manager office	R.O.C	Chang, Po-Kai	M	2025.10.01	7,909,597	1.50	—	—	—	—	Bachelor of Business Administration University of Portland Manager, General Manager office, YC INOX Co., Ltd.	Director (Representative), Ji-Mao Investment Co., Ltd. Supervisor, Tai Chyang Investment Co., Ltd. Director (Representative), YC INOX TR Çelik Sanayi ve Ticaret A.Ş.	CEO	Chang, Chin-Yu	Father	—
Chief Financial Officer	R.O.C.	Lee, Chao-Ching	M	2025.03.17	—	—	—	—	—	—	Bachelor of Accounting Department, National Chengchi University Master of Business Administration, Rutgers, the State University of New Jersey Assistant Manager of Deloitte & Touche VP of Finance, O2Micro International Limited Chief Accounting Officer, YC INOX Co., Ltd.	Director (Representative), Ji-Mao Investment Co., Ltd.	—	—	—	—
Manager of Domestic Sales Department	R.O.C.	Hsiao, Ching-Hung	M	2011.08.01	9,000	—	—	—	—	—	Bachelor of Economics Department, Tunghai University Assistant Manager of Deloitte Touche Tohmatsu Limited Assistant Manager of International Sales Department Pipe & Tube, YC INOX Co., Ltd. Assistant Manager of Domestic Sales Department, YC INOX Co., Ltd.	—	—	—	—	—
Senior Manager of Domestic Sales Department-Northern Region	R.O.C.	Cheng, Chih-Hsien	M	2017.10.01	104,083	0.02	—	—	—	—	Department of Mechanical Engineering, Kuang Wu Industry Junior College; Manager of Domestic Sales Department Northern Region, YC INOX Co., Ltd.	—	—	—	—	—
Deputy General Manager of Domestic Sales Department-Southern Region	R.O.C.	Chang, Chin-Peng	M	2021.08.01	28,265,865	5.34	—	—	—	—	Kuang-Hwa Vocational Senior High School of Technology; Senior Manager of Domestic Sales Department Southern Region, YC INOX Co., Ltd.	Supervisors (Representative), Ji-Mao Investment Co., Ltd.	CEO	Chang, Chin-Yu	Brother	—
Senior Manager of International Sales Department	R.O.C.	Yen, Ching-Fang	F	2023.01.03	50,000	0.01	116,612	0.02	—	—	Bachelor of Economics Department, University of Toronto; Senior Manager of International Sales Department Pipe & Tube, YC INOX Co., Ltd.	—	—	—	—	—
Senior Manager of Administration Department	R.O.C.	Chen, Ping-Hsun	M	2019.10.01	80,000	0.02	86,975	0.02	—	—	Bachelor of Polymer Engineering Department, National Taiwan University of Science and Technology; Assistant Manager of Quality Assurance Department, Deputy Plant Manager of Shijou Mill and Manager of Administration Department, YC INOX Co., Ltd.	—	—	—	—	—
Senior Manager of Production Department	R.O.C.	Wang, Chuan-Ming	M	2021.01.01	61,594	0.01	127,256	0.02	—	—	Bachelor of Chemical Engineering Department, Chung Yuan Christian University; Plant Manager of Mailiao Branch, FCFC Plant Manager of Shijou Mill and Manager of Production Department, YC INOX Co., Ltd.	Director (Representative), YC INOX TR Çelik Sanayi ve Ticaret A.Ş.	—	—	—	—
Senior Specialist of Production Planning Department	R.O.C.	Hsu, Chin-Chang	M	2020.06.01	137,203	0.03	68,364	0.01	—	—	Bachelor of Mechanical Engineering Department, National Taiwan University of Science and Technology; Section Supervisor, Chunghwa Picture Tubes, LTD.; Manager of Production Planning Department	—	—	—	—	—
Manger of Quality Assurance Department	R.O.C.	Wu,Ming-Che	M	2025.12.01	20,000	—	6,000	—	—	—	Master of Industrial Engineering and Management Department, National Yunlin University of Science and Technology Manager of Administration Department and Manager of Production Department,, YC INOX Co., Ltd.	—	—	—	—	—
Senior Manager of Information Technology Office	R.O.C.	Shen, Chun-Chi	M	2021.08.01	72,478	0.01	824	—	—	—	Master of Department of Information Management, National Taiwan University of Science and Technology; Manager of Information Technology Office, YC INOX Co., Ltd.	—	—	—	—	—

Title	Nationality	Name	Gender	Date of Effective	Shareholding		Spouse & Minor(s) shareholding		Shareholding by Nominee Arrangement		Major Education and Work Experiences	Current Position with Other Company	Managers are Spouse or within two Degrees of Consanguinity Each Other			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Assistant Manager of Accounting Department/ Chief Accounting Officer/ Chief Corporate Governance Officer	R.O.C.	Ni,Shih-Chun	M	2026.02.01	—	—	—	—	—	—	Master of Science in Accounting, National Changhua University of Education Senior Senior Administrator, Pou Chen Corporation Special Assistant to the Chairman & Chief Internal Audito, Ofuna Technology Co., Ltd.	—	—	—	—	—
Senior Specialist of Internal Audit Office/Chief Internal Auditor	R.O.C.	Hung, Hsiao-Hui	F	2025.05.09	10,594	—	—	—	—	—	Master of Accounting Department, National Yunlin University of Science and Technology Section Manager of Accounting Division, Assistant Manager of Internal Audit Office and Senior Specialist of Finance Department, YC INOX Co., Ltd.	—	—	—	—	—

Note 1: The Chairman of the Company concurrently serves as the CEO for the purpose of improving operating efficiency and decision-making execution. However, in order to strengthen the independence of the board of directors, the Company is actively training promising person to succeed in the future. In addition, the Chairman of the Board of Directors closely communicates with the directors on current operating conditions and planning guidelines of the Company to implement corporate governance. Furthermore, the company has appointed four independent directors to enhance the functions of the Board of Directors and strengthen its supervisory role. At present, we have implemented following specific measures:

1. The current four independent directors are respectively proficient in accounting, and the industry, enabling them to effectively fulfill their supervisory functions.
2. All directors are scheduled to participate in professional director courses held by external institutions each year, to enhance the operational effectiveness of the board of directors.
3. In the functional committees, independent directors are be able to fully discuss/put forward suggestions to the Board of Directors as a way to implement corporate governance.

2.2 Compensation of Directors, CEO and Deputy General Manager in the Most Recent Year

2.2.1 Compensation of Directors (including Independent Directors)

Unit: NT\$ thousands																							
Title	Name	Compensation paid to Directors								Sum of A, B, C, and D as a % of Net Income		Compensation Paid to Directors who are also Employees								Sum of A, B, C, D, E, F and G as a % of Net Income		Compensation Paid to Directors by Non-consolidated Affiliates or Parent Company	
		Basic Compensation(A)		Severance Pay and Pension (B)		Remuneration (C)		Allowances (D)				Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employees' profit sharing(G)							
		YC INOX	Consolidated Entities	YC INOX	Consolidated Entities	YC INOX	Consolidated Entities	YC INOX	Consolidated Entities			YC INOX	Consolidated Entities	YC INOX	Consolidated Entities	YC INOX	Consolidated Entities	Cash	Share	Cash	Share		YC INOX
Director	Tai Chyang Investment Co., Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Chang, Chin-Yu	60	60	—	—	—	—	80	80	140/(0.13%)	140/(0.13%)	12,561	12,561	—	—	461	—	461	—	13,162/(12.24%)	13,162/(12.24%)	—	
	Chin Ying Fa Mechanical Ind Co., Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Shih, Ya-Hui	—	—	—	—	—	—	60	60	60/(0.06%)	60/(0.06%)	—	—	—	—	—	—	—	—	60/(0.06%)	60/(0.06%)	—	
	Chang, Chin-Peng	—	—	—	—	—	—	60	60	60/(0.06%)	60/(0.06%)	3,157	3,157	108	108	30	—	30	—	3,355/(3.12%)	3,355/(3.12%)	—	
	Hsieh, Ming-Hong	—	—	—	—	—	—	40	40	40/(0.04%)	40/(0.04%)	—	—	—	—	—	—	—	—	40/(0.04%)	40/(0.04%)	—	
	Chang, Po-Kai	—	3,103	—	—	—	—	60	60	60/(0.06%)	3,163/(2.94%)	5,249	5,249	73	73	181	—	181	—	5,563/(5.17%)	8,666/(8.05%)	—	
Independent Director	Chang, Wei-Lun	1,320	1,320	—	—	—	—	140	140	1,460/(1.36%)	1,460/(1.36%)	—	—	—	—	—	—	—	—	1,460/(1.36%)	1,460/(1.36%)	—	
	Yen, Wen-Pi	1,380	1,380	—	—	—	—	160	160	1,540/(1.43%)	1,540/(1.43%)	—	—	—	—	—	—	—	—	1,540/(1.43%)	1,540/(1.43%)	—	
	Wu, Ching-Chang	1,320	1,320	—	—	—	—	140	140	1,460/(1.36%)	1,460/(1.36%)	—	—	—	—	—	—	—	—	1,460/(1.36%)	1,460/(1.36%)	—	
	Chen, Ming-Yu	1,320	1,320	—	—	—	—	130	130	1,450/(1.35%)	1,450/(1.35%)	—	—	—	—	—	—	—	—	1,450/(1.35%)	1,450/(1.35%)	—	
A. Please state the payment policy, standard and structure of the independent directors' compensation, and explain the relevance between the compensation and responsibility, risk, time spent, and other factors borne/devoted by directors: According to the Regulations for the Compensation of Directors and their Concurrently-Serving Functional Committees of the Company, the Independent Directors do not participate in the annual distribution of director compensation. Regardless of the Company's financial performance, the Company may provide remuneration to Independent Directors, which is paid monthly. The Board of Directors may adjust this remuneration based on the level of participation and contribution to the Company's operations. Additionally, if they serve on any functional committees of the Company, they may receive a fixed annual compensation for their roles. Independent Directors will receive traveling expenditures to directors based on the actual number of meetings they attend. The Company has stipulated the Regulations for Performance evaluation of the Board of Directors, and has to accordingly evaluate the Directors' performance based on various evaluation indicators each year. The result of the board of directors' performance evaluation of the year was good, such result has been approved by the Compensation Committee and submitted to the Board of Directors for reporting. The performance evaluation and reasonableness of compensation for directors were reviewed and approved by the Compensation Committee and the Board of Directors. The compensation system shall be reviewed from time to time in compliance with actual operating conditions and relevant laws and regulations, to pursue the balance between the Company's sustainable operation and risk control. B. Except as disclosed in the table above, any compensation paid to the directors in the most recent year for their services provided to the consolidated entities (e.g served as a non-employee consultant, etc.): None.																							

Compensation Interval Table

Intervals of compensation paid to Directors of the Company	Name of Directors			
	A+B+C+D		A+B+C+D+E+F+G	
	YC INOX	Consolidated Entities	YC INOX	Consolidated Entities
Under NT\$ 1,000,000	Tai Chyang Investment Co., Ltd. Chin Ying Fa Mechanical Ind Co., Ltd. Chang, Chin-Yu Shih, Ya-Hui Chang, Chin-Peng Hsieh, Ming-Hong Chang, Po-Kai	Tai Chyang Investment Co., Ltd. Chin Ying Fa Mechanical Ind Co., Ltd. Chang, Chin-Yu Shih, Ya-Hui Chang, Chin-Peng Hsieh, Ming-Hong	Tai Chyang Investment Co., Ltd. Chin Ying Fa Mechanical Ind Co., Ltd. Shih, Ya-Hui Hsieh, Ming-Hong	Tai Chyang Investment Co., Ltd. Chin Ying Fa Mechanical Ind Co., Ltd. Shih, Ya-Hui Hsieh, Ming-Hong
NT\$ 1,000,000 (incl.) - NT\$ 2,000,000 (not incl.)	Chang, Wei-Lun Yen, Wen-Pi Wu, Ching-Chang Chen, Ming-Yu	Chang, Wei-Lun Yen, Wen-Pi Wu, Ching-Chang Chen, Ming-Yu	Chang, Wei-Lun Yen, Wen-Pi Wu, Ching-Chang Chen, Ming-Yu	Chang, Wei-Lun Yen, Wen-Pi Wu, Ching-Chang Chen, Ming-Yu
NT\$ 2,000,000 (incl.) - NT\$ 3,500,000 (not incl.)	—	Chang, Po-Kai	Chang, Chin-Peng	Chang, Chin-Peng
NT\$ 3,500,000 (incl.) - NT\$ 5,000,000 (not incl.)	—	—	—	—
NT\$ 5,000,000 (incl.) - NT\$ 10,000,000 (not incl.)	—	—	Chang, Po-Kai	Chang, Po-Kai
NT\$ 10,000,000 (incl.) - NT\$ 15,000,000 (not incl.)	—	—	Chang, Chin-Yu	Chang, Chin-Yu
NT\$ 15,000,000 (incl.) - NT\$ 30,000,000 (not incl.)	—	—	—	—
NT\$ 30,000,000 (incl.) - NT\$ 50,000,000 (not incl.)	—	—	—	—
NT\$ 50,000,000 (incl.) - NT\$ 100,000,000 (not incl.)	—	—	—	—
NT\$ 100,000,000 and above	—	—	—	—
Total	11	11	11	11

2.2.2 Compensation of CEO and Deputy General Managers

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employees' profit sharing (D)				Sum of A, B, C, and D as % of Net Income		Compensation paid by Non-consolidated Affiliates or Parent Company
		YC INOX	Consolidated Entities	YC INOX	Consolidated Entities	YC INOX	Consolidated Entities	YC INOX		Consolidated entities				
								Cash	Share	Cash	Share	YC INOX	Consolidated Entities	
CEO	Chang, Chin-Yu	6,243	6,243	—	—	6,318	6,318	461	—	461	—	13,022/(12.10%)	13,022/(12.10%)	—
Chief Financial Officer	Chan, Lieh-Lin*	2,605	2,605	108	108	2,262	2,262	—	—	—	—	4,975/(4.62%)	4,975/(4.62%)	—
Chief Financial Officer	Lee, Chao-Ching	1,732	1,732	85	85	1,580	1,580	30	—	30	—	3,427/(3.19%)	3,427/(3.19%)	—
Deputy General Manager	Chang, Chin-Peng	1,863	1,863	108	108	1,294	1,294	30	—	30	—	3,295/(3.06%)	3,295/(3.06%)	—

* CFO Chan, Lieh-Lin retired, effective February 13, 2026.

Compensation Interval Table

Compensation Level	Name of the CEO and Deputy General Managers	
	YC INOX	Consolidated Entities
Under NT\$ 1,000,000	—	—
NT\$ 1,000,000 (incl.) - NT\$ 2,000,000 (not incl.)	—	—
NT\$ 2,000,000 (incl.) - NT\$ 3,500,000 (not incl.)	Chang, Chin-Peng; Lee, Chao-Ching	Chang, Chin-Peng; Lee, Chao-Ching
NT\$ 3,500,000 (incl.) - NT\$ 5,000,000 (not incl.)	Chan, Lieh-Lin	Chan, Lieh-Lin
NT\$ 5,000,000 (incl.) - NT\$ 10,000,000 (not incl.)	—	—
NT\$ 10,000,000 (incl.) - NT\$ 15,000,000 (not incl.)	Chang, Chin-Yu	Chang, Chin-Yu
NT\$ 15,000,000 (incl.) - NT\$ 30,000,000 (not incl.)	—	—
NT\$ 30,000,000 (incl.) - NT\$ 50,000,000 (not incl.)	—	—
NT\$ 50,000,000 (incl.) - NT\$ 100,000,000 (not incl.)	—	—
NT\$ 100,000,000 and above	—	—
Total	4	4

2.2.3 Status of Employees' Profit Sharing Distributed to Managerial Personnel

For the Year Ended December 31, 2025					Unit: NT\$ thousands
Title	Name	Stock	Cash	Total	Sum as a % of Net Income
Chairman / CEO	Chang, Chin-Yu	—	942	942	0.88
Chief Finance Officer	Lee, Chao-Ching				
Director / Deputy General Manager of Domestic Sales Department- Southern Region	Chang, Chin-Peng				
Senior Manager of General Manager office	Chang, Po-Kai				
Senior Manager of Domestic Sales Department- Northern Region	Cheng, Chih-Hsien				
Senior Manager of International Sales Department	Yen, Ching-Fang				
Senior Manager of Administration Department	Chen, Ping-Hsun				
Senior Manager of Production Department	Wang, Chuan-Ming				
Senior Specialist of Production Planning Department	Hsu, Chin-Chang				
Senior Manager of Information Technology Office	Shen, Chun-Chi				
Assistant Manager of Accounting Department/ Chief Accounting Officer/ Chief Corporate Governance Officer	Ni, Shih-Chun				
Senior Specialist of Internal Audit Office/Chief Internal Auditor	Hung, Hsiao-Hui				

*This table lists incumbents as of the annual report publication date.

*The Board of Directors has approved the appropriation of NT\$4,690,018 for employee compensation for the fiscal year 2025. As the distribution list for employee compensation has not yet been finalized as of the publication date of this annual report, the proposed distribution amounts for the current year are calculated based on the actual distribution ratios of previous years.

2.2.4 Compensation of the Five Highest-Paid Managerial Officers

For the Year Ended December 31, 2025

Unit: NT\$ thousands

For the Year Ended December 31, 2023														Unit: NT\$ thousand
Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employees' profit sharing (D)				Sum of A, B, C, and D as % of Net Income		Compensation paid by Non-consolidated Affiliates or Parent Company
		YC INOX	Consolidate d Entities	YC INOX	Consolidate d Entities	YC INOX	Consolidate d Entities	YC INOX		Consolidated entities				
								Cash	Share	Cash	Share	YC INOX	Consolidate d Entities	
CEO	Chang, Chin-Yu	6,243	6,243	—	—	6,318	6,318	461	—	461	—	13,022/ (12.10%)	13,022/ (12.10%)	—
Senior Manager	Chang, Po-Kai	1,242	1,242	73	73	4,007	4,007	181	—	181	—	5,503/ (5.11%)	5,503/ (5.11%)	—
Chief Financial Officer	Chan, Lieh-Lin	2,605	2,605	108	108	2,262	2,262	—	—	—	—	4,975/ (4.62%)	4,975/ (4.62%)	—
Chief Financial Officer	Lee, Chao-Ching	1,732	1,732	85	85	1,580	1,580	30	—	30	—	3,427/ (3.19%)	3,427/ (3.19%)	—
Deputy General Manager	Chang, Chin-Peng	1,863	1,863	108	108	1,294	1,294	30	—	30	—	3,295/ (3.06%)	3,295/ (3.06%)	—

* CFO Chan, Lieh-Lin retired, effective February 13, 2026.

2.2.5 Analyze and explain the proportion of total compensation paid to directors, CEO, and deputy general managers of the Company and the consolidated entities in net income in the past two years, and explain the policy, standard and portfolio of compensation payment, procedures of determine compensation, and its relevance to business performance and future risks.

A. The ratio of the total compensation paid to directors, CEO and deputy general managers of the Company to net income in the parent company only/consolidated financial statements in the most recent two years.

Unit: NT\$ thousands

Items	2025		2024	
	The Company	Consolidated Entities	The Company	Consolidated Entities
Net Income	107,578		(103,494)	
Total Compensation Paid to Directors as % of Net Income (Note)	5.85	8.73	(4.30)	(7.32)
Total Compensation paid to CEO and Deputy General Managers as % of Net Income	23.39		(22.39)	

B. Policy, standard and portfolio of compensation payments, procedures for determining compensation, and its relevance to business performance and risks.

Article 30 of the Company's Articles of Incorporation:

In the case the Company makes a profit in a fiscal year, it shall reserve 2% to 6% of profits for employees' profit sharing. At least 20% of this amount shall be distributed to frontline employees. The Board of Directors shall determine said profits be distributed by way of stock or cash, which can also be distributed to employees of affiliations who meet certain conditions; Board of Directors may also adopt a resolution to reserve up to 2% of said profits for Directors' compensation. The resolution of distribution of employees' profit sharing and directors' compensation shall be reported to the Shareholders' Meeting. In the case the Company still has accumulated losses, a certain amount of the earnings corresponding to accumulated losses shall be retained, then the employees' profit sharing and directors' compensation can be reserved by the percentage specified in the preceding paragraph.

1. The compensation paid to Directors of the Company:

Payment of Directors' compensation shall follow the provisions in the Articles of Incorporation, in the case the Company makes a profit in a fiscal year, up to 2% of said of profit may be reserved for compensation for directors. Such compensation can only be paid upon the Compensation Committee and Board of Directors' approval, and shall be reported to the Shareholders' Meeting. The principles of Directors' compensation and the payment of salary and traveling expenditures to directors shall follow the Regulations for the Compensation of Directors and their Concurrently-Serving Functional Committees and refer to the arms' length range in the same industry. The Independent Directors do not participate in the annual distribution of director compensation. Regardless of the Company's financial performance, the Company may provide remuneration to Independent Directors, which is paid monthly. The Board of Directors may adjust this remuneration based on the level of participation and contribution to the Company's operations.

The Company has stipulated the Regulations for Performance evaluation of the Board of Directors, and has to accordingly evaluate the Directors' performance based on various evaluation indicators each year. The result of the board of directors' self- evaluation of the year was rated as

excellent, such result has been approved by the Compensation Committee and submitted to the Board of Directors for reporting.

2. The compensation paid to CEO and deputy general managers of the Company:

The policy for the compensation of the CEO and deputy general managers is based on the Company's "Policies and Regulations of Salary and Compensation", the salary levels for similar positions in the industry, the scope of responsibilities within the Company, and their contributions to the Company's operational objectives. The performance evaluation of our Company's executives follows not only the overall operational performance of the Company but also considers future industry risks and development trends. It also takes into account individual performance achievements and contributions to the Company's performance, providing reasonable compensation. The payment of these compensations complies with the Company's "Policies and Regulations of Salary and Compensation" and related salary management regulations, adequately recognizing their responsibilities and risks.

3. The assessment of operational performance and the reasonableness of remuneration for directors and managerial officers are reviewed by the Compensation Committee and the Board of Directors. It takes into account the typical industry standards for compensation, as well as the correlation between individual performance, company operational performance, and future risks. The compensation system is subject to periodic review based on the actual business conditions and relevant legal requirements to achieve a balance between sustainable business operations and risk management for the Company.

2.3 Implementation of Corporate Governance

2.3.1 Operation of the Board of Directors

In 2025, there were a total of 6 Board Meetings(A). The attendance of directors was shown as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of Attendance in Person (B/A)
		Remarks		
Chairman	Tai Chyang Investment Co., Ltd. Representative: Chang, Chin-Yu	6	0	100%
Director	Chin Ying Fa Mechanical Ind Co., Ltd. Representative: Shih, Ya-Hui	6	0	100%
Director	Chang, Chin-Peng	6	0	100%
Director	Hsieh, Ming-Hong	4	2	66.67%
		Unable to attend the 1 st and 4 th board meetings of 2025 due to overseas business assignments. The director reviewed all agenda items beforehand and entrusted a proxy to attend and express opinions.		
Director	Chang, Po-Kai	6	0	100%
Independent Director	Chang, Wei-Lun	6	0	100%
Independent Director	Yen, Wen-Pi	6	0	100%
Independent Director	Wu, Ching-Chang	6	0	100%
Independent Director	Chen, Ming-Yu	6	0	100%

Other matters to be recorded:

- In the event of either of the following situations, dates, sessions, contents of resolutions of the Board Meetings, opinions from all independent directors, and Company responses to their opinions should be noted:
 - Issues specified in Article 14-3 of the Securities and Exchange Act: Please refer to the Annual Report for related information of the operation status of the Audit Committee. All proposals were unanimously agreed and passed by all independent directors.
 - In addition to the preceding matter, other resolutions of the Board Meetings on which independent directors have dissenting opinions or qualified opinions, and that are documented or issued through written statements: None.
- Recusal of Directors due to conflict of interests (the name of the Directors, the content of the proposals, reasons for recusal, and participation in voting shall be stated): None.

3. The execution status of the self-evaluation (or peer evaluation) of the Board of Directors:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Approach	Evaluation Content
Annually. The performance evaluation shall be completed before the end of the first quarter of the following year	From January 1, 2025 to December 31, 2025	The Board of Directors	Self-evaluation of the board performance	A. Involvement in the operation of the Company; B. Improvement of the quality of the Board of Directors' decision making; C. Composition and structure of the Board of Directors; D. Election and continuing education of the directors; and E. Internal control.
		The members of Board of Directors	Self-evaluation of the performance of board members	A. Familiarity with the goals and tasks of the Company; B. Awareness of the duties of a director; C. Involvement in the operation of the Company; D. Management of internal relationships and communication; E. The director's professionalism and continuing education; and F. Internal control.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Approach	Evaluation Content
Annually. The performance evaluation shall be completed before the end of the first quarter of the following year	From January 1, 2025 to December 31, 2025	Auditing Committee	Self-evaluation of the performance of the Auditing Committee	A. Involvement in the operation of the Company; B. Awareness of the duties of the Auditing Committee; C. Improvement of the quality of the Auditing Committee' decision making; D. Composition of the Auditing Committee and election of its members; and E. Internal control.
		Compensation Committee	Self-evaluation of the performance of the Compensation Committee	A. Involvement in the operation of the Company; B. Awareness of the duties of the Compensation Committee; C. Improvement of the quality of the Compensation Committee' decision making; D. Composition of the Compensation Committee and election of its members; and E. Internal control.
		Sustainability Committee	Self-evaluation of the performance of the Sustainability Committee	A. Involvement in the operation of the Company; B. Awareness of the duties of the Compensation Committee; C. Improvement of the quality of the Compensation Committee' decision making; D. Composition of the Compensation Committee and election of its members; and E. Internal control.

According to the Regulations for Performance Evaluation of the Board of Directors, the Company has tasked the Finance Department to conduct the board performance evaluation for the fiscal year 2025. This evaluation, which includes assessments of the Board of Directors, individual board members, the Auditing Committee, the Compensation Committee, and the Sustainability Committee, was carried out through internal questionnaires and completed in February of 2026. The evaluation items are listed in the table above, with average self-assessment scores ranging from 4.84 to 5.00, resulting in an overall rating of excellent.

Evaluation results of this assessment will serve as a reference for future selections or nominations of directors, and the performance evaluation outcomes of directors and functional committee members will be used as a basis for determining their individual compensation. This assessment was approved by the 6th meeting of the 6th session of Compensation Committee on March 11, 2026, and subsequently reported to the 13th meeting of the 18th session of Board of Directors on the same date.

4. Measures for strengthening the functions of Board of Directors in the current year and the most recent year, and relevant implementation assessment.

- (1) To enhance corporate governance and improve information transparency, the Company has established relevant governance systems and regulations, as well as operational details of the Board of Directors and various functional committees, all of which are disclosed on the Company website (<https://www.ycinox.com/tw/ir/ir-249>) and the MOPS.
- (2) In response to the initiative of the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" regarding the term limit for independent directors, the Company has ensured that, following the board re-election on June 17, 2024, all independent directors have not served more than three consecutive terms, and one female independent director has been appointed.
- (3) After the board re-election on June 17, 2024, the 4th Audit Committee was formed with four newly appointed independent directors to assist the board in fulfilling its supervisory responsibilities and enhancing operational efficiency; further details can be found on page 21.
- (4) The 6th Compensation Committee is composed of independent directors Chang, Wei-Lun, Yen, Wen-Pi, and Wu, Ching-Chang, assisting the board in executing compensation management functions, with further details available on page 30.
- (5) On May 6, 2024, the Board of Directors approved the establishment of a Sustainability Committee as a functional committee, and on June 28, 2024, appointed Chairman, Chang, Chin-Yu, along with Independent Directors Yen, Wen-Pi, Chen, Ming-Yu as members of the second Sustainability Committee to oversee the Company's implementation of sustainability goals and strengthen sustainable governance; further details can be found on page 31.
- (6) All directors persist in learning to maintain their core values and professional capabilities and the status of director training for the year 2025 has been disclosed as required on our Company website (<https://www.ycinox.com/tw/ir/ir-249>) and the MOPS.

2.3.2 Operation of Audit Committee

In 2025, there were a total of 5 Audit Committee Meetings(A). The attendance of directors was shown as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of Attendance in Person (B/A)	Remarks
Independent Director	Chang, Wei-Lun	5	—	100%	
Independent Director	Yen, Wen-Pi	5	—	100%	
Independent Director	Wu, Ching-Chang	5	—	100%	
Independent Director	Chen, Ming-Yu	5	—	100%	

Other matters to be recorded:

1. If any of the following applies to the operation of Audit Committee, the date and session of the Audit Committee, the content of proposals, dissenting opinion of independent directors, resolutions of the Audit Committee, and the Company's actions in response to opinions from the Audit Committee shall be specified:

(1) Issues stated in Article 14-5 of the Securities and Exchange Act, or other resolutions which were not being approved by the Audit Committee but resolved by more than two-thirds of all the Directors:

Meeting (Session) / Date	Content of Proposal and Subsequent Handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Other resolutions which were not being approved by the Audit Committee but resolved by more than two-thirds of all the Directors:
Mar 7, 2025, the 5 th meeting of the 4 th session	1. The report of internal control system self-assessment for 2024. 2. 2024 financial statements. 3. 2024 business report. 4. The independence evaluation of the certified public accountants. 5. The appointment of attestation CPA who are responsible for the certification of 2025 financial statements and related audit fee. 6. 2024 Earnings Distribution. 7. Cash dividends distributed from capital surplus. 8. The change of the Chief Accounting Officer. 9. The capital injection to YC INOX TR Çelik Sanayi ve Ticaret A.Ş..	V V V — V V V V V	— — — — — — — — —
Audit Committee's resolution result: Unanimously approved by all Audit Committee members The Company's handling of Audit Committee's resolutions: Unanimously approved by all attending directors			
May 9, 2025, the 6 th meeting of the 4 th session	1. The appointment of the Chief Accounting Officer. 2. The appointment of the Chief Internal Auditor. 3. 2024Q1 consolidated financial statements 4. New stock issuance for capital increase converted from 3 rd domestic unsecured convertible corporate bonds. 5. Lending funds to subsidiary.	V V V V V	— — — — —
Audit Committee's resolution result: Unanimously approved by all Audit Committee members The Company's handling of Audit Committee's resolutions: Unanimously approved by all attending directors			
Aug 8, 2025, the 7 th meeting of the 4 th session	1. 2025Q2 consolidated financial statements 2. New stock issuance for capital increase converted from 3 rd domestic unsecured convertible corporate bonds. 3. Pre-approved Non-Assurance Services (CPA)	V V V	— — —
Audit Committee's resolution result: Unanimously approved by all Audit Committee members The Company's handling of Audit Committee's resolutions: Unanimously approved by all attending directors			
Nov 7, 2025, the 8 th meeting of the 4 th session	1. 2025Q3 consolidated financial statements 2. New stock issuance for capital increase converted from 3 rd domestic unsecured convertible corporate bonds. 3. Realignment of Puoshing Mill Production Lines	V V V	— — —
Audit Committee's resolution result: Unanimously approved by all Audit Committee members The Company's handling of Audit Committee's resolutions: Unanimously approved by all attending directors			
Dec 26 2025, the 9 th meeting of the 4 th session	1. Update of the 2025 budget 2. 2026 business operation plan 3. 2026 annual budget 4. 2026 Internal audit plan 5. Amendment to Internal Control Self-Assessment Procedures 6. Promoting the Adoption Plan for the "IFRS Sustainability Disclosure Standards	— — — V V —	— — — — — —
Audit Committee's resolution result: Unanimously approved by all Audit Committee members The Company's handling of Audit Committee's resolutions: Unanimously approved by all attending directors			

Meeting (Session) / Date	Content of Proposal and Subsequent Handling	Matters listed in Article 14-3 of the Securities and Exchange Act	Other resolutions which were not being approved by the Audit Committee but resolved by more than two-thirds of all the Directors:
Jan 30 2026, the 10 th meeting of the 4 th session	1. New stock issuance for capital increase converted from 3 rd domestic unsecured convertible corporate bonds	V	—
	2. The change of the Chief Financial Officer and Spokesperson	V	—
	3. The change of the Chief Accounting Officer and Acting Spokesperson	V	—
Mar 11 2026, the 11 th meeting of the 4 th session	4. The change of the Corporate Governance Officer	V	—
	Audit Committee's resolution result: Unanimously approved by all Audit Committee members		
	The Company's handling of Audit Committee's resolutions: Unanimously approved by all attending directors		
May 8 2026, the 12 th meeting of the 4 th session	1. The report of internal control system self-assessment for 2025	V	—
	2. 2025 financial statements. (Individual and Consolidated)	V	—
	3. 2025 business report	V	—
	4. The independence evaluation of the certified public accountants	—	—
	5. The appointment of attestation CPA who are responsible for the certification of 2026 financial statements and related audit fee	V	—
	6. 2025 Earnings Distribution	V	—
	7. Cash dividends distributed from capital surplus	V	—
	Audit Committee's resolution result: Unanimously approved by all Audit Committee members		
	The Company's handling of Audit Committee's resolutions: Unanimously approved by all attending directors		
	1. 2026Q1 consolidated financial statements	V	—
	2. Lending funds to subsidiary.	V	—
	3. The Implementation Status of the IFRS Sustainability Disclosure Standards Adoption Plan.	V	—
	Audit Committee's resolution result: Unanimously approved by all Audit Committee members		
	The Company's handling of Audit Committee's resolutions: Unanimously approved by all attending directors		

2. Recusal of Independent Directors due to conflict of interests (the name of the Independent Directors, the content of the proposals, reasons for recusal, and participation in voting shall be stated): None.

3. Communications between Independent Directors and Chief Internal Auditor and the independent auditors (material matters of communication, the way of communication and its results of said communication regarding the Company's financial and operational status shall be included):

(1) The Company's chief internal auditor regularly submits internal audit report and internal audit's report of improving suggestions & follow-ups to independent directors for their review, and attends the Audit Committee's quarterly meeting to report internal audit business to independent directors. In case of major abnormal events which must be discussed, a meeting could be convened any time. So far, the communication between the chief internal auditor and the independent directors goes well.

(2) The independent directors and the independent auditors call a meeting at least once a year to communicate and discuss financial reports related matters. In case of material abnormal events which must be discussed, a meeting could be convened any time. So far, the communication between the independent auditors and the independent directors goes well.

The communications between independent directors, chief internal auditor and independent auditors are listed below.

Date	Way of communication	Items discussed with chief internal auditor	Items discussed with independent auditors
2025.03.07	Discussion in the Audit Committee's Meeting	✧ Internal auditors' report for audit items from December 2024 to January 2025. →All independent directors have acknowledged and had no further opinion. ✧ Reviewing report of internal control system self-assessment for 2024 and draft the Statement of Internal Control System. →It was submitted to the Board of Directors for approval.	
2025.05.09	Discussion in the Audit Committee's Meeting	✧ Internal auditors' report for audit items from January 2025 to April 2025. →All independent directors have acknowledged and had no further opinion.	

Date	Way of communication	Items discussed with chief internal auditor	Items discussed with independent auditors
2025.08.08	Discussion in the Audit Committee's Meeting	✧ Internal auditors' report for audit items from April 2025 to July 2025. →All independent directors have acknowledged and had no further opinion.	
2025.11.07	Private meeting	✧ The Chief Internal Auditor reported on the status of business execution. →All independent directors have acknowledged and had no further opinion.	
2025.11.07	Discussion in the Audit Committee's Meeting	✧ Internal auditors' report for audit items from July 2025 to October 2025. →All independent directors have acknowledged and had no further opinion.	
2025.12.26	Private meeting		✧ Discussion on the audit planning and key audit matters related to the financial statements for 2025. →All independent directors have acknowledged and had no further opinion.
2025.12.26	Discussion in the Audit Committee's Meeting	✧ Internal auditors' report for audit items from October 2025 to November 2025. →All independent directors have acknowledged and had no further opinion. ✧ Reviewing 2026 Internal audit plan. →It was submitted to the Board of Directors for approval. ✧ Reviewing the Procedures of Internal Audit Implementation. →It was submitted to the Board of Directors for approval.	✧ Report the audit results, key audit matters and material issues of 2025 consolidated and parent company only financial statements. →No disagreement.
2026.01.30	Discussion in the Audit Committee's Meeting	✧ Internal auditors' report for audit items from December 2025 to January 2026. →All independent directors have acknowledged and had no further opinion.	
2026.03.11	Discussion in the Audit Committee's Meeting	✧ Internal auditors' report for audit items from January 2026 to February 2026. →All independent directors have acknowledged and had no further opinion. ✧ Reviewing report of internal control system self-assessment for 2025 and draft the Statement of Internal Control System. →It was submitted to the Board of Directors for approval.	
2026.05.08	Discussion in the Audit Committee's Meeting	✧ Internal auditors' report for audit items from February 2026 to April 2026. →All independent directors have acknowledged and had no further opinion.	

Results: The aforementioned items had been reviewed or approved by the Audit Committee, and none of the independent directors has dissenting opinion.

2.3.3 Corporate Governance Implementation Status, Its Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”, and Reasons for such Deviations

Assessment Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
1. Has the Company stipulated and disclosed its Corporate Governance Best-Practice Principles in Accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	√		The Company has stipulated the Corporate Governance Best-Practice Principles which was adopted by the Board of Directors, and disclosed it on the Company website and the MOPS.	No significant difference.
2. Shareholding Structure & Shareholders’ Rights				
(1) Has the Company formulated internal operating procedures to handle shareholders’ recommendations, questions, disputes, and litigations, and implemented these measures accordingly?	√		The Company’s spokesperson or share affairs staff handle the share affairs in accordance with internal operating procedures. If legal issues are involved, the legal adviser appointed by the Company will assist in handling related issues.	No significant difference.
(2) Does the Company possess the list of its major shareholders as well as the beneficial owners of those major shareholders?	√		The Company’s share affairs are handled by a professional affairs agency, and there is a dedicated person responsible for the reporting of changes in the shareholding of insiders and major shareholders, and be able to instantly possess the latest list of major shareholders.	No significant difference.
(3) Has the Company established and executed risk management and firewall system between the Company and its affiliated companies?	√		The Company has stipulated the Procedures for Related Party Transactions Management and the Regulations for Subsidiary Management, a complete risk control mechanism and firewall for transactions with related parties has been established.	No significant difference.
(4) Has the Company established internal regulations to prohibit insider trading with undisclosed information?	√		The Company has stipulated the Procedures for Prohibition of Insider Trading Regulations, to regulate the Directors, Managerial Officers and employees of the Company, as well as anyone who knows the Company’s internal information based on engagement or controlling relationships, and prohibit any behavior that may involve insider trading. Related education, training and publicity are held from time to time.	No significant difference.
3. Composition and Responsibilities of the Board of Directors				
(1) Has the Board of Directors drawn up diversity policy for the composition of board members and implement it accordingly?	√		Chapter 3 of the Company’s Corporate Governance Best Practice Principles has stipulated appropriate diversity policies to strengthen the functions of the Board of Directors. The Company’s nomination and election of members of the Board of Directors is in accordance with the provisions of the Company’s Articles of Incorporation, adopting the candidate nomination system. In addition to assessing the educational qualifications of each director candidate, the Company also adheres to the "Regulations for Election of Directors" and "Corporate Governance Best Practice Principles" to ensure the diversity and independence of directors. 1. Board member diversity:	No significant difference.

Assessment Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			(1) Directors should possess diverse expertise related to the stainless steel industry, management, accounting, and finance. This includes core competencies such as leadership, decision-making, operational judgment, business management, financial analysis, crisis management, industry expertise, international market and sustainable management knowledge. (2) The Board of Directors must have a majority of directors who do not concurrently serve as employees or managers in order to achieve the objective of supervision. (3) The term of Independent Directors should not exceed three consecutive terms, in order to maintain their independence. (4) At least one female Director. (5) The Board of Directors aims to achieve the goal of sustainable operations by promoting board rejuvenation and incorporating younger members. 2. Implementation of diversity of Board members: In the re-election of Directors of the Company in 2024, the Company has successfully achieved the goals of rejuvenation, more than half of the Directors are not concurrently served as employees or managers of the Company and limiting independent directors to no more than three terms. At present, the Board of Directors of the Company has 9 Directors, including 4 Independent Directors (2 female members). The proportion of Directors who concurrently served as employee is 33%, while the proportion of female directors is 22%, and the proportion of Independent Directors is 44%. The Directors each have professional backgrounds such as CPAs and stainless steel industry management executives. For detailed information regarding the professional backgrounds and core competencies of the board members, please refer to page 6. The policy and implementation of the diversity of Board members have been disclosed on the Company website (https://www.ycinnox.com/tw/ir/ir-235-2025) and MOPS.	
(2) Other than the Compensation Committee and the Audit Committee required by the law, has the Company voluntarily established other functional committees?	√		The Company has established the Compensation Committee and the Audit Committee in accordance with the law. Additionally, on May 6, 2024, the Board of Directors approved the establishment of the Sustainability committee as a functional committee.	No significant difference.
(3) Has the Company stipulated rules and methods for evaluating the performance of the Board of Directors, implemented such evaluations every year and reported the results of performance evaluation to the Board of Directors; moreover, taken it as reference in compensation and renomination of individual directors?	√		The Company carries out board performance evaluations in accordance with the Regulations for Performance evaluation of the Board of Directors, with the responsibility assigned to the Finance Department. The evaluation results for the fiscal year 2025 was approved by the 6th meeting of the 6th session of Compensation Committee on March 11, 2026, and subsequently reported to the 13th meeting of the 18th session of Board of Directors on the same date. The overall assessment of the board will serve as a reference for the selection or nomination of directors in the future. The implementation details of the board evaluation for the fiscal year 2025 are provided in the annual report under the section concerning the board's operations.	No significant difference.

Assessment Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons																					
	Yes	No	Summary																						
(4) Does the Company regularly evaluate the independence of independent auditors?	√		In order to ensure the independence of the independent auditors and the reliability of the financial statements, the Company, in accordance with Article 47 of the Certified Public Accountant Act, the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and the disclosure framework and templates provided by the Financial Supervisory Commission (FSC) regarding audit quality indicators, conducts an annual assessment of the independence and suitability of the independent auditors. This assessment is conducted by the Finance Department and covers the following areas: <table><tr><th colspan="2">Assessment category</th><th>Assessment result</th></tr><tr><td rowspan="5">Independence</td><td>Self-Interest</td><td>There is no potential situation where the audit service team and the Company have conflicts of interest that could compromise independence.</td></tr><tr><td>Self-Audit</td><td>There is no potential event that could affect independence between the audit service team and the Company.</td></tr><tr><td>Advocacy</td><td>The audit service team is not engaged to advocate for the Company.</td></tr><tr><td>Familiarity</td><td>There is no potential issue of excessive familiarity between the audit service team and the Company that could impact independence.</td></tr><tr><td>Threats</td><td>There is no possibility of independence being compromised due to threats from the Company.</td></tr><tr><td rowspan="3">Suitability</td><td>Professionalism</td><td>The accounting firm and its audit service team have sufficient auditing experience, and their training meets the auditing needs of the Company.</td></tr><tr><td>Quality Control</td><td>The accounting firm and its audit service team are able to appropriately control and maintain the quality of the audit services provided to the Company, without being overwhelmed by the number of engagements.</td></tr><tr><td>Supervision</td><td>The accounting firm and its audit service team have not been subject to frequent penalties by regulatory authorities. The number of penalties they received is comparable to or lower than industry standards.</td></tr></table> Based on the evaluation conducted by the Finance Department of the Company, it has been determined that CPA Tseng, Done-Yuin and CPA Liu, Li-Wei, along with their respective audit service team members from Deloitte & Touche, have not been found to	Assessment category		Assessment result	Independence	Self-Interest	There is no potential situation where the audit service team and the Company have conflicts of interest that could compromise independence.	Self-Audit	There is no potential event that could affect independence between the audit service team and the Company.	Advocacy	The audit service team is not engaged to advocate for the Company.	Familiarity	There is no potential issue of excessive familiarity between the audit service team and the Company that could impact independence.	Threats	There is no possibility of independence being compromised due to threats from the Company.	Suitability	Professionalism	The accounting firm and its audit service team have sufficient auditing experience, and their training meets the auditing needs of the Company.	Quality Control	The accounting firm and its audit service team are able to appropriately control and maintain the quality of the audit services provided to the Company, without being overwhelmed by the number of engagements.	Supervision	The accounting firm and its audit service team have not been subject to frequent penalties by regulatory authorities. The number of penalties they received is comparable to or lower than industry standards.	No significant difference.
Assessment category		Assessment result																							
Independence	Self-Interest	There is no potential situation where the audit service team and the Company have conflicts of interest that could compromise independence.																							
	Self-Audit	There is no potential event that could affect independence between the audit service team and the Company.																							
	Advocacy	The audit service team is not engaged to advocate for the Company.																							
	Familiarity	There is no potential issue of excessive familiarity between the audit service team and the Company that could impact independence.																							
	Threats	There is no possibility of independence being compromised due to threats from the Company.																							
Suitability	Professionalism	The accounting firm and its audit service team have sufficient auditing experience, and their training meets the auditing needs of the Company.																							
	Quality Control	The accounting firm and its audit service team are able to appropriately control and maintain the quality of the audit services provided to the Company, without being overwhelmed by the number of engagements.																							
	Supervision	The accounting firm and its audit service team have not been subject to frequent penalties by regulatory authorities. The number of penalties they received is comparable to or lower than industry standards.																							

Assessment Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			have violated independence or exhibited severe incompetence. They meet the Company's criteria for assessing the independence and suitability of accountants and are capable of serving as the engaged independent auditors for the Company. The Finance Department has submitted the evaluation report for the fiscal year 2025 to the Audit Committee, and it was approved by the Board of Directors on March 11, 2026.	
4. Does the TWSE/TPEX listed company have an adequate number of corporate governance personnel with appropriate qualifications and appoint a company secretary in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters related to Board Meetings and Shareholders' Meetings, and producing minutes of Board Meetings and Shareholders' meetings)?	√		The Board of Directors approved the establishment of the Corporate Governance Officer position on May 7, 2021, to oversee corporate governance-related affairs. The current Corporate Governance Officer is Mr. Ni,Shih-Chun, Assistant Manager of the Accounting Department, who was appointed on January 30, 2026, during the 12th meeting of the 18th Board of Directors. Relevant information has been duly reported to the MOPS in accordance with regulations. Regarding the promotion of corporate governance-related matters and the training of Chief Corporate Governance Officer, related information has been disclosed on the Company website, please refer to the Company website (https://www.ycinox.com/tw/ir/ir-336).	No significant difference.
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up the stakeholders' section on corporate website and adequately respond to stakeholders' inquiries on material corporate social responsibility issues?	√		The Company values the rights and opinions of stakeholders. We have set up a dedicated section for stakeholders on the Company website, where spokespersons and acting spokespersons serve as communication channels to the public. Additionally, stakeholders can communicate with various departments involved in the business operations, such as sales offices, finance department, and procurement unit. The Company is committed to providing appropriate responses to stakeholders' concerns, including issues related to sustainable development. The Company adopts a materiality principle to systematically identify significant stakeholders, including customers, investors, suppliers, employees, government agencies, community neighbors, and civil organizations. The Company has reported on stakeholder concerns, communication channels and frequency, and communication performance in a systematic manner. This report was presented to the Board of Directors on May 8, 2026 and disclosed in the Stakeholder Section of the Company website (https://www.ycinox.com/tw/ir/ir-246).	No significant difference.
6. Does the Company appoint a professional share affairs agent to handle shareholders' meetings related affairs?	√		The Company has appointed the SinoPac Securities Stock Affairs Agency to handle our Shareholders' Meetings affairs.	No significant difference.

Assessment Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
7. Information Disclosure				
(1) Has the Company established a website to disclose information on financials, business and corporate governance?	√		The Company has set up a website to disclose the latest information related to financial and corporate governance. The Company website is https://www.ycinox.com/tw .	No significant difference.
(2) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company website)?	√		The Company has a dedicated unit responsible for the collection and release of various information of the Company, and has set up a spokesperson in accordance with regulations to be responsible for the disclosure of material internal information of the Company. The Company was invited to participate in the Online Investor Conference hosted by SinoPac Securities on July 1, 2025, and the SinoPac Securities 4Q 2025 Industry Forum on December 10, 2025. During these events, we provided an overview of our operations. Relevant materials have been disclosed on the Market Observation Post System (MOPS) and the Company website.	No significant difference.
(3) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	√		The Company's quarterly and annual financial statements, and operating performance of each month, are all publicly announced and filed within the specified deadline.	No significant difference.
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, continuing education for directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors)?	√		1. The implementation of employee benefits and employee care: please refer to the labor relations on page 81. 2. In 2025, all members of the Board of Directors in the Company met the required training hours set by the competent authorities. Please refer to the Company website (http://www.ycinox.com/tw/ir/ir-249) or MOPS. 3. The implementation of risk management policies and risk measurement standards: please refer to page 92. 4. Investor Relations, Supplier Relationships, Implementation of Stakeholder Rights, and Customer Policy: please refer to page 71. 5. The Company has purchased liability insurance for the directors, and it was reported to the Board of Directors on November 7, 2025, the 10 th Board Meeting of the 18 th session.	No significant difference.

Assessment Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
9. Improvements made in the most recent year in response to the results of Corporate Governance Evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved: In the fiscal year 2025, the Company's final score in the 12 th Corporate Governance Evaluation was 91.46 points, placing it in the ranking range of 21% to 35% among listed companies. A report on improvement plans based on the corporate governance evaluation results was submitted to the Board of On May 8, 2026, the 14 th Board Meeting of the 18 th session. The following is an explanation of the evaluation indicators that have been strengthened but did not score for the Company:				
Improved Situation	Evaluation Indicator	Description of improvement		
Items identified as priorities for strengthening and improvement	1.15	The Company will establish internal regulations prohibiting insiders, including directors and employees, from trading securities using material non-public information. These regulations will incorporate a blackout period, strictly forbidding directors from trading company shares within 30 days prior to the annual financial report announcement and within 15 days prior to each quarterly financial report announcement. The implementation status of these measures will also be disclosed.		
	3.13	Voluntary disclosure of individual remuneration for each director in this year's AGM annual report (Eligible for evaluation points).		
	3.21	Voluntary disclosure of individual remuneration for the CEO and VPs in this year's AGM annual report (Eligible for evaluation points).		
	4.31	To foster a supportive workplace environment and strengthen corporate governance, the Company will conduct regular employee satisfaction surveys. The implementation details and concrete improvement plans will be transparently disclosed.		

2.3.4 Members, Duties and Operation of the Functional Committee

A. Compensation Committee

1. Information of members of Compensation Committee

As of April 18, 2026

Title	Name	Criteria		
		Qualifications and Experiences	Independence	Number of Other Public Companies in which the Member also Serves as an on the Compensation Committee
Independent Director (Convener)	Chang, Wei-Lun	Please refer to the Page 6, "Directors' qualification and independent directors' independence status".		
Independent Director	Yen, Wen-Pi			
Independent Director	Wu, Ching-Chang			

2. Operation of the Compensation Committee

(1) The Company's Compensation Committee is composed of 3 members.

(2) The term for current committee: June 28, 2024 to June 16, 2027.

Compensation Committee meeting has been convened 3 times (A) in 2025, their attendance is shown as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of Attendance in Person (B/A)	Remarks
The 6 th Convener	Chang, Wei-Lun	3	—	100%	
The 6 th Committee Member	Yen, Wen-Pi	3	—	100%	
The 6 th Committee Member	Wu, Ching-Chang	3	—	100%	

Other matters to be recorded:

- If the Board of Directors does not adopt or amend the recommendations made by the Compensation Committee, the date, session, the content of proposals, resolutions of the Board Meeting and the Company's action in response to opinions from the Compensation Committee shall be specified (if the remuneration approved by the Board of Directors is better than that recommended by the Compensation Committee, the discrepancies and related reasons shall be specified): None.
- If any member of the Compensation Committee has dissenting opinion or qualified opinion on the resolutions of the Compensation Committee, where such opinions are documented or issued through written statements, the date, session, the content of proposals, all the members' opinions of the meeting of the Compensation Committee, and the action in response to these opinions shall be specified: None.

3. Resolutions of the Compensation Committee in 2025:

Date/ Session of Compensation Committee Meeting	Proposal	Resolution of the Compensation Committee	Company's Response to the Opinion of the Compensation Committee
March 7 2025, the 3 rd meeting of the 6 th session	1. Reviewed the managerial officers' year-end bonus principle for 2024 and the rationality of actual payment amount. 2. Discussion of the 2024 distribution of directors' compensation and employees' profit-sharing. 3. Amendment of Policies and Regulations of Salary and Compensation. 4. Performance evaluation of the Board of Directors for the year 2024.	Approved by all members present in the Compensation Committee meeting.	Approved by all directors present in the Board meeting.
June 16, 2025, the 4 th meeting of the 6 th session	1. Amendment of the Regulations for management of monthly operating profit sharing.		
December 26, 2025, the 5 th meeting of the 6 th session	1. Reviewed the managerial officers' profit-sharing bonus principle for 2024 and the rationality of actual payment amount. 2. Reviewed the directors' compensation principle for 2024 and the rationality of actual payment amount. 3. Reviewed the managerial officers' salary structure for 2024, its principle and the rationality of actual payment amount. 4. Reviewed each of the managerial officers' salary structure for 2024, its principle and the rationality of actual payment amount. 5. Compensation for newly appointed (promoted) managers for 2025. 6. Amendment of Payroll Policy. 7. Amendment of the regulations for management of monthly operating profit sharing. 8. Employee salary adjustments. 9. Monthly fixed salary adjustments for all managers and the Chairman (also serving as President).		
March 11, 2026, the 6 th meeting of the 6 th session	1. Reviewed the managerial officers' year-end bonus principle for 2025 and the rationality of actual payment amount. 2. Discussion of the 2025 distribution of directors' compensation and employees' profit-sharing. 3. Performance evaluation of the Board of Directors for the year 2025.		

B. Sustainability Committee

1. Information of members of Sustainability Committee

As of April 18, 2026

Title	Name	Criteria		
		Qualifications and Experiences	Independence	Number of Other Public Companies in which the Member also Serves as an on the Compensation Committee
Chairman (Convener)	Chang, Chin-Yu	Please refer to the Page 6, "Directors' qualification and independent directors' independence status ".		
Independent Director	Yen, Wen-Pi			
Independent Director	Chen, Ming-Yu			

2. Operation of the Sustainability Committee

(1) The Company's Sustainability Committee is composed of 3 members.

(2) The term for current committee: June 28, 2024 to June 16, 2027.

Sustainability Committee meeting has been convened 2 times (A) in 2025, their attendance is shown as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of Attendance in Person (B/A)	Remarks
The 2 nd Convener	Chang, Chin-Yu	2	—	100%	
The 2 nd Committee Member	Yen, Wen-Pi	2	—	100%	
The 2 nd Committee Member	Chen, Ming-Yu	2	—	100%	
Other matters to be recorded:					
Resolutions of the Sustainability Committee in 2025:					
Date/ Session of Compensation Committee Meeting	Proposal			Resolution of the Sustainability Committee	Company's Response to the Opinion of the Sustainability Committee
May 9 2025, the 3 rd meeting of the 2 nd session	1. Climate-related Financial Disclosure Information. 2. Greenhouse Gas Management Strategy, Reduction Targets, and Plans. 3. 2024 Sustainability Report Issuance Proposal.			Approved by all members present in the Sustainability Committee meeting.	Approved by all directors present in the Board meeting.
December 26 2025, the 4 th meeting of the 2 nd session	1. Report on the Implementation of Corporate Governance.				
May 8 2026, the 5 th meeting of the 2 nd session	1. Climate-related Financial Disclosure Information. 2. Greenhouse Gas Management Strategy, Reduction Targets, and Plans. 3. 2025 Sustainability Report Issuance Proposal.				

2.3.5 Implementation of Sustainable Development and Discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons for such Discrepancy:

Item	Implementation Status			Discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its Reasons								
	Yes	No	Summary									
1. Does the Company have a governance structure in place to promote sustainable developments and exclusively (or concurrently) dedicated units to be in charge of proposing and enforcing sustainable development, with the Board of Directors authorizing the senior management for the implementation and supervision of the process?	√		1.Promoting the Governance Framework for Sustainable Development: To achieve the Company's sustainable development goals and strengthen sustainable governance, the Company has established Sustainability Committee. The second committee consists of three directors: Chairman Chang, Chin-Yu, Independent Director Yen, Wen-Pi, and Independent Director Chen, Ming-Yu, each possessing expertise and capabilities in sustainability. <table><tr><th>Name</th><th>Primary Expertise</th></tr><tr><td>Chang, Chin-Yu</td><td>Leadership and Decision-making; Operating Management; Corporate Governance; Sustainable Management</td></tr><tr><td>Yen, Wen-Pi</td><td>Financial Accounting; Tax Auditing; Corporate Governance; Sustainable Management</td></tr><tr><td>Chen, Ming-Yu</td><td>Operating Management; Industry Expertise; Sustainable Management</td></tr></table> The administrative unit of the committee is the Finance Department, with one executive secretary served by the Chief Corporate Governance Officer, who is responsible for managing committee-related matters and executing tasks assigned by the committee. The committee establishes three executive groups: "Corporate Governance," "Social Responsibility," and "Environmental Sustainability." Heads of relevant departments appointed by the CEO are responsible for managing the operations, promoting, and executing the responsibilities of each group, reporting regularly to the committee on implementation plans and outcomes, and reporting to the Board of Directors through the committee. 2.Implementation of Sustainable Development: (1) The Sustainability Committee shall hold at least two meetings per year, and its responsibilities include: a. Develop, promote, and enhance sustainability policies, annual development plans, and strategies. b. Establish, supervise, and review policies and management mechanisms related to corporate governance, ethical operations, and risk management. c. Review, track, and revise the implementation and effectiveness of sustainability initiatives. d. Address important issues raised by stakeholders and supervise communication plans. e. Supervise sustainability information disclosure and review Sustainability Reports. f. Oversee the execution of business practices or other sustainability-related work as determined by the Board of Directors in line with the Company's sustainability guidelines.	Name	Primary Expertise	Chang, Chin-Yu	Leadership and Decision-making; Operating Management; Corporate Governance; Sustainable Management	Yen, Wen-Pi	Financial Accounting; Tax Auditing; Corporate Governance; Sustainable Management	Chen, Ming-Yu	Operating Management; Industry Expertise; Sustainable Management	No significant difference.
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			(2) Execution Status for the Current Year: <table><tr><th>Date</th><th>Meeting Agenda</th><th>Supervision by the Board of Directors</th></tr><tr><td>2025.05.09</td><td> ✧ Environmental Sustainability Implementation Report: 1. Status of Greenhouse Gas Inventory and Verification Schedule Planning for Subsidiaries in the Consolidated Financial Statements. 2. Report on the Implementation Status/Evaluation Results and Improvement Plan of Corporate Governance. 3. Status of Sustainability Development Implementation. 4. Communication with Stakeholders. ✧ Climate-related Financial Disclosure Information. ✧ Greenhouse Gas Management Strategy, Reduction Targets, and Plans. ✧ 2024 Sustainability Report Issuance Proposal. </td><td>Adopted by the all attending directors present at the 7th Board meeting of 18th session on May 9, 2025.</td></tr><tr><td>2025.12.26</td><td> ✧ Report on Corporate Governance Implementation: 1. Sustainable Development Promotion Plan and Implementation Results Report. 2. Implementation of Ethical Management in 2025. 3. Risk Management Implementation in 2025. 4. Information Security Management in 2025. 5. Succession planning and operational status for board members and key management personnel. </td><td>Adopted by the all attending directors present at the 11th Board meeting of 18th session on December 26, 2025.</td></tr><tr><td>2026.05.08</td><td> ✧ Report on the Implementation Status of the Sustainable Development Promotion Plan: 1. Report on the Implementation Status/Evaluation Results and Improvement Plan of Corporate Governance. 2. Status of Sustainability Development Implementation. 3. Communication with Stakeholders. ✧ Climate-related Financial Disclosure Information. ✧ Greenhouse Gas Management Strategy, Reduction Targets, and Plans. ✧ 2025 Sustainability Report Issuance Proposal. </td><td>Adopted by the all attending directors present at the 14th Board meeting of 18th session on May 8, 2026.</td></tr></table>	Date	Meeting Agenda	Supervision by the Board of Directors	2025.05.09	✧ Environmental Sustainability Implementation Report: 1. Status of Greenhouse Gas Inventory and Verification Schedule Planning for Subsidiaries in the Consolidated Financial Statements. 2. Report on the Implementation Status/Evaluation Results and Improvement Plan of Corporate Governance. 3. Status of Sustainability Development Implementation. 4. Communication with Stakeholders. ✧ Climate-related Financial Disclosure Information. ✧ Greenhouse Gas Management Strategy, Reduction Targets, and Plans. ✧ 2024 Sustainability Report Issuance Proposal.	Adopted by the all attending directors present at the 7 th Board meeting of 18 th session on May 9, 2025.	2025.12.26	✧ Report on Corporate Governance Implementation: 1. Sustainable Development Promotion Plan and Implementation Results Report. 2. Implementation of Ethical Management in 2025. 3. Risk Management Implementation in 2025. 4. Information Security Management in 2025. 5. Succession planning and operational status for board members and key management personnel.	Adopted by the all attending directors present at the 11 th Board meeting of 18 th session on December 26, 2025.	2026.05.08	✧ Report on the Implementation Status of the Sustainable Development Promotion Plan: 1. Report on the Implementation Status/Evaluation Results and Improvement Plan of Corporate Governance. 2. Status of Sustainability Development Implementation. 3. Communication with Stakeholders. ✧ Climate-related Financial Disclosure Information. ✧ Greenhouse Gas Management Strategy, Reduction Targets, and Plans. ✧ 2025 Sustainability Report Issuance Proposal.	Adopted by the all attending directors present at the 14 th Board meeting of 18 th session on May 8, 2026.	
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2. Has the Company conducted risk assessment on environmental, social and corporate governance issues related to corporate operations and established relevant risk management policies or strategies based on materiality principle?	√		1. On December 27, 2024, the 5th Board meeting of the 18th session, the Company adopted the amendment of the "Risk Management Policy and Procedures." The risk management policy aims to achieve sustainable operations by implementing systematic and institutionalized management mechanisms to effectively identify, assess, monitor, and control risks, ensuring that risks are kept within the Company's acceptable range and preventing potential losses. 2. Heads of department are responsible for risk management within their area of responsibilities. They are tasked with analyzing and monitoring risks within their units. Risk Management Execution Team is responsible for making risk management decisions, cross-department coordination, communication, risk alerting, and other related tasks. They ensure appropriate risk control through regular reporting to higher authorities. 3. The Company identifies potential risks for four key aspects, namely business operational aspect, financial aspect, production operational aspect and environmental aspect. The corporate governance execution team collaborates with relevant departments to comprehensively identify potential risk events that could hinder the achievement of company objectives, result in losses, or have negative impacts, through risk management meetings. These identified risks are categorized by control banding and managed based on internal evaluation conducted by individual department. Every department is responsible for formulating and executing risk management strategies and response plans for identified risks. 4. The Company evaluates the likelihood and impact of identified risks through each unit, conducting materiality analyses to identify high-priority risk issues requiring close attention. Based on their significance, risk management is implemented. The identified risk items are classified as follows: Significant Risks: Energy management, market competition, climate change, concentrated sourcing and suppliers, information security, human resources. General Risks: Natural disasters, inflation, foreign exchange rate fluctuations, environmental pollution, corporate image, political factors, investments, interest rate fluctuations, customer complaints, production capacity imbalances, occupational safety and health, and major statutory communicable diseases. For the identified significant risk issues, response measures have been formulated and executed based on internal control systems or management practices. The Risk Management Execution Team continuously and regularly assesses the impact of these risks. 5. The Internal Audit office must formulate an annual audit plan based on the risk assessment results of each operational unit, ensuring that all identified risks within the Company are adequately managed and timely improvement recommendations are provided. The progress of the related initiatives was reported at the 11th meeting of the 18th session of Board of Directors on December 26, 2025 and the 4th meeting of the 2nd session of Sustainability Committee on the same day, and disclosed on the Company website (https://www.ycinox.com/tw/ir/ir-353).	No significant difference.

Item	Implementation Status			Discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its Reasons									
	Yes	No	Summary										
3. Environmental Issues (1) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	√		The Company adheres to the environmental regulations established by the Ministry of the Environment, such as the Air Pollution Control Act, the Water Pollution Control Act, the Waste Disposal Act, and tToxic and Concerned Chemical Substances Control Act, to establish environmental health and safety management guidelines and promote various measures for managing environmental pollution. The Company (Douliou mill I) and its consolidated subsidiary (Turkiye mill 108 and 109) have established an environmental management system in accordance with ISO 14001 and consistently undergoes third-party verification. Waste recycling and disposal are conducted in compliance with the environmental health and safety management system and environmental regulations. The implementation effectiveness is regularly reviewed, and continuous improvements are made. The execution status is reported annually at management review meetings. The latest certificate validity period is: <table><tr><th>Item</th><th>Category</th><th>Certificate Validity</th></tr><tr><td>The Company</td><td>ISO 14001 : 2015</td><td>2024/08/24~2027/08/23</td></tr><tr><td>Consolidated Subsidiary</td><td>ISO 14001 : 2015</td><td>2026/03/13~2029/02/14</td></tr></table>	Item	Category	Certificate Validity	The Company	ISO 14001 : 2015	2024/08/24~2027/08/23	Consolidated Subsidiary	ISO 14001 : 2015	2026/03/13~2029/02/14	No significant difference.
Item	Category	Certificate Validity											
The Company	ISO 14001 : 2015	2024/08/24~2027/08/23											
Consolidated Subsidiary	ISO 14001 : 2015	2026/03/13~2029/02/14											
(2) Is the Company committed to improving resource utilization efficiency and to the use of renewable materials with low environmental impact?	√		The Company is actively promoting various energy reduction initiatives by selecting equipment with high energy efficiency and energy-saving designs. This approach aims to decrease energy consumption for both the enterprise and its products, thereby optimizing energy usage efficiency. In 2025, electricity consumption decreased by 3,724,029 kWh compared to 2024, representing a reduction of 10.07% and successfully achieving the project goal. Furthermore, the installed solar capacity in 2025 reached 104.9% of the total contracted capacity across all plants in Taiwan, demonstrating a steady annual increase in renewable energy utilization efficiency. In order to reduce the environmental impact of our operations, the Company has implemented several measures: At the Douliou mill II, a process acid regeneration and process acid supply system have been established. The process acid waste is recycled with a recovery rate of over 85%. Additionally, a wastewater treatment system is in place to treat both domestic and process wastewater. The process wastewater has a recovery rate of over 90%, demonstrating our commitment to wastewater recycling and resource conservation in the production process. At the Puoshing mill, we introduced an Aerobic Fluidized Bed (AFB) biotreatment technology to decompose nitrate nitrogen. We have obtained the discharge permit and have achieved the national standard for effluent water (total nitrogen) content ahead of schedule, even before the target year of 2027. The Douliou mill I has proactively adopted the Moving Bed Biofilm Reactor (MBBR) wastewater treatment technology, achieving higher-quality discharge water to comply with upgraded environmental regulations.	No significant difference.									

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(3) Has the Company evaluated the current and future potential risks and opportunities of climate change, and adopted countermeasures related to climate issues?	√		The Company designates its Board of Directors as the highest decision-making body for climate issues, establishing a Sustainability Committee chaired by the Chairman. This committee reviews the Company's climate change strategies and objectives annually, manages climate change risks and opportunities, assesses implementation status, and discusses future plans, reporting back to the Board of Directors. To mitigate the aforementioned risk factors, the Consolidated Company simultaneously identifies feasible opportunities and formulates responsive measures. In terms of climate change mitigation, initiatives are developed around green operations, energy management, and carbon information disclosure. Regarding climate change adaptation, the Consolidated Company has implemented measures to strengthen foundational practices and build sustainable operational capabilities. A detailed analysis of the Consolidated Company's climate change risks and opportunities is disclosed in the Sustainability Report; please refer to the Company's 2025 Sustainability Report and the Compnay website. The assessment and response measures related to climate change risks and opportunities for the Consolidated Company are outlined in the annual report under “Climate-Related Information”.	No significant difference.									
(4) Has the Company collected statistics of emissions of greenhouse gas (GHG), the usage of water, and the total weight of waste in the past two years; and formulated energy saving and carbon reduction, GHG reduction, water saving, and other waste management policies?	√		1. Greenhouse Gas Emissions: The results of the greenhouse gas inventory, verification status, and reduction policies of the Consolidated Company are presented on page 52 of this annual report. 2. Water Resources Management: The Company has consistently focused on issues related to water resource conservation and environmental protection. In terms of water-saving initiatives, we begin by implementing daily water-saving practices to maximize the efficiency of available water resources. In 2025, our water consumption amounted to 105,407 cubic meters, sourced from both tap water and industrial water (66.7%) as well as groundwater (33.3%). We assess and disclose greenhouse gas emissions associated with our water extraction and usage through verification processes. By utilizing product carbon footprint assessments (ISO 14067) and greenhouse gas verification (ISO 14064-1), we promote various water conservation projects aimed at reducing carbon emissions generated from raw material usage. Total water consumption in the past 2 years: <table><tr><th>Year</th><th>Total Water Consumption (Metric tons)</th><th>Water Intensity (Metric tons per metric ton of product)</th></tr><tr><td>2024</td><td>110,397</td><td>0.82</td></tr><tr><td>2025</td><td>105,407</td><td>0.96</td></tr></table> In 2025, the Company has consistently implemented various water-saving measures and introduced new technologies. Through the recovery of process wastewater via a multi-stage desalination reverse	Year	Total Water Consumption (Metric tons)	Water Intensity (Metric tons per metric ton of product)	2024	110,397	0.82	2025	105,407	0.96	No significant difference.
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			osmosis system, which allows for segmented recovery and multiple concentrations, as well as the reuse of water from cooling towers and washing towers, we have enhanced our water recycling and circulation efforts to achieve the goal of reducing raw water usage. In 2025, the water recovery rate reached 99%, resulting in a total water savings of approximately 14,554 cubic meters, representing a 4.71% reduction compared to the previous year (2024). 3. Waste Management The Company operates within the manufacturing sector, where the primary waste consists of industrial waste generated during the production process. We have conducted greenhouse gas verification and disclosure to calculate the carbon emissions resulting from the management of both non-hazardous and hazardous industrial waste. By utilizing product carbon footprint verification (ISO 14067) and greenhouse gas verification (ISO 14064-1), we are advancing waste resource recovery projects aimed at reducing carbon emissions from waste generated during manufacturing. Our commitment to environmental protection is evident, as the Company achieved ISO 14001 environmental management system certification in 2009, and our consolidated subsidiary received the same certification in 2023. We continuously strive for improvements to minimize our environmental impact. To achieve sustainable resource reuse, our waste management principles prioritize in-house reuse to reduce raw material consumption, followed by recycling, and only then resorting to incineration or landfill as a last option. The total amount of waste in the past 2 years: <table border="1"> <thead> <tr> <th>Year</th><th>Hazardous Waste (Metric tons)</th><th>Non-hazardous Waste (Metric tons)</th><th>Total (Metric tons)</th><th>Waste Intensity (Metric tons per metric ton of product)</th></tr> </thead> <tbody> <tr> <td>2024</td><td>311.43</td><td>732.16</td><td>1,043.59</td><td>0.0078</td></tr> <tr> <td>2025</td><td>365.14</td><td>644.16</td><td>1,009.30</td><td>0.0092</td></tr> </tbody> </table> The company is committed to industrial waste reduction. Since the launch of our waste reduction initiative in 2021, total waste volume has decreased for five consecutive years. In 2025, total waste fell to 1,009.30 metric tons, representing a significant reduction of approximately 30% compared to 2021 (1,448.13 metric tons).	Year	Hazardous Waste (Metric tons)	Non-hazardous Waste (Metric tons)	Total (Metric tons)	Waste Intensity (Metric tons per metric ton of product)	2024	311.43	732.16	1,043.59	0.0078	2025	365.14	644.16	1,009.30	0.0092	
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Item	Implementation Status			Discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and its Reasons										
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4. Social Issues (1) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	√		1. The Company is committed to fulfilling its corporate social responsibility by safeguarding the basic human rights of all employees (including contract and temporary personnel), customers, and stakeholders. It supports and adheres to internationally recognized human rights norms and principles, such as the United Nations Universal Declaration of Human Rights, United Nations Global Compact, and International Labor Organization conventions. The Company treats its employees with dignity and respect, and has established a human rights policy (details available on the Company website: https://www.ycinox.com/tw/ir/ir-242, and complies with labor-related laws and regulations in the respective locations, ensuring that no acts infringing upon or violating human rights occur. This policy applies to all employees, customers, suppliers, and all stakeholders of the Company. The Sustainable Development Committee serves as the highest-level governing body responsible for reviewing, tracking, and revising human rights issues. The detailed procedure is described as follows: <table><tr><th>Human Rights Policy</th><th>Specific content</th></tr><tr><td>Ensure a safe and healthy work environment</td><td> ✧ Promote 5S workplace management (Sort, Set in order, Shine, Standardize, Sustain) to create a high-quality work environment. ✧ Actively monitor and manage employees' excessive workloads to prevent the adverse effects of overtime on their health. ✧ Conduct regular health check-ups for employees, ensuring both frequency and budget exceed legal requirements. ✧ Arrange for occupational health specialists to provide on-site health services monthly, and employ dedicated nurses to continuously support employees' physical and mental well-being. </td></tr><tr><td>Eliminate unlawful discrimination to guarantee equal employment opportunities</td><td> ✧ Establishing the Factory Working Rules and various rules, all in strict compliance with labor laws and international standards, applicable to all employees uniformly. </td></tr><tr><td>Prohibit child labor</td><td> ✧ In accordance with the relevant provisions of the Factory Working Rules, no unit is permitted to employ individuals under the age of eighteen, and verification of hired personnel must be conducted to prevent any oversights. </td></tr><tr><td>Prohibition of Forced Labor</td><td> ✧ Upon the establishment of employment, a written agreement is signed in accordance with the law, explicitly stating that the employment relationship is built upon mutual consent, and forced labor is strictly prohibited. </td></tr></table>	Human Rights Policy	Specific content	Ensure a safe and healthy work environment	✧ Promote 5S workplace management (Sort, Set in order, Shine, Standardize, Sustain) to create a high-quality work environment. ✧ Actively monitor and manage employees' excessive workloads to prevent the adverse effects of overtime on their health. ✧ Conduct regular health check-ups for employees, ensuring both frequency and budget exceed legal requirements. ✧ Arrange for occupational health specialists to provide on-site health services monthly, and employ dedicated nurses to continuously support employees' physical and mental well-being.	Eliminate unlawful discrimination to guarantee equal employment opportunities	✧ Establishing the Factory Working Rules and various rules, all in strict compliance with labor laws and international standards, applicable to all employees uniformly.	Prohibit child labor	✧ In accordance with the relevant provisions of the Factory Working Rules, no unit is permitted to employ individuals under the age of eighteen, and verification of hired personnel must be conducted to prevent any oversights.	Prohibition of Forced Labor	✧ Upon the establishment of employment, a written agreement is signed in accordance with the law, explicitly stating that the employment relationship is built upon mutual consent, and forced labor is strictly prohibited.	No significant difference.
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			3. The Company prioritizes information security and personal data protection, having established an "Information Security Manual" and "Personal Data Protection Management Measures." Through comprehensive information security policies—including institutional regulations, technological applications, personnel training, risk control, incident reporting, and management reviews—we ensure that data access and sharing are properly governed and protected. To facilitate the execution of data protection, we have established a Personal Data Protection Task Force. This task force is composed of executives from the Administration, Information Technology, and Auditing departments, with the Administration Manager serving as the convener to handle data protection tasks and emergency response notifications. The scope of these policies covers our four manufacturing plants in Taiwan, the North and South Sales Offices, overseas subsidiaries, customers, and suppliers. In 2025, a total of 519 participants attended information security and personal data protection training sessions, with total training hours reaching 572 hours.	
(2) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, rest and annual leave, and other benefits), and appropriately reflected the operating performance or achievements in the employee remuneration?	√		The Company has established relevant policies and procedures regarding salary, bonuses, and performance evaluations, ensuring an effective linkage between job performance and individual compensation to facilitate profit sharing. Additionally, various employee welfare activities and subsidies are organized through the Employee Welfare Committee. Through quarterly labor-management meetings, we continuously improve welfare measures and oversee the labor retirement preparation fund committee, which regularly reviews and monitors the rights of retired employees. 1. Business Performance Reflected in Employee Compensation: (1) Based on the Regular Employee Performance Appraisal Measures, the Company implements employee performance evaluations as a basis for salary adjustments, operational profit bonuses, year-end bonuses, and employee remuneration for promotions, transfers, and other considerations. (2) According to the Articles of Incorporation and the Policies and Regulations of Salary and Compensation, if there are profits in a given year, 2% to 6% will be allocated for employee compensation. At least 20% of this amount shall be distributed to frontline employees. However, if the Company has accumulated losses, a reserve amount must be set aside beforehand to cover those losses before allocating employee compensation based on the aforementioned percentage. 2. Employee Welfare Measures: (1) The Company has established the Employee Welfare Committee, allocating over NT\$34 million in welfare funds in 2025 to provide high-quality benefits to employees. These benefits include subsidies for marriage, funeral expenses, hospital visits for injuries and illnesses, family day activities, children's scholarships, festival bonuses, and birthday celebrations. (2) The Company has established a Labor Retirement Management Regulation which, in accordance with the Labor Standards Act, allocates 5% of the total monthly salary of employees under the old retirement system to a retirement reserve. In 2025, the total contribution to the old retirement	No significant difference.

Item	Implementation Status			Discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and its Reasons									
	Yes	No	Summary										
			reserve exceeded NT\$3.6 million. Additionally, under the Labor Pension Act, 6% of the monthly salary of employees is contributed to individual accounts for the new retirement system, with total contributions in 2025 surpassing NT\$20.28 million. (3) The HR department is responsible for drafting the retirement plan for the following year by the end of June each year, based on the retirement conditions outlined in the Labor Standards Act. After assessing the workforce with department heads, the plan is submitted for approval by CEO and the list of retiring employees is announced to allow them to prepare for their retirement life. 3. Workplace Diversity and Equality: The Company is committed to providing employees with a dignified and safe work environment. We implement diversity in hiring and ensure fairness in compensation and promotion opportunities. By establishing Factory Working Rules and publishing a human rights policy, we guarantee that employees will not face discrimination, harassment, or unequal treatment based on race, gender, sexual orientation, religious beliefs, age, political views, place of birth, physical or mental disabilities, or any other status protected by applicable laws. In 2025, female employees have comprised approximately 19% of all managerial positions, promoting a supportive workplace that empowers women and fosters diversity, allowing colleagues of all genders to work with confidence.										
(3) Does the Company provide a safe and healthy work environment and regularly offer safety and health training to its employees?	√		The Company and Consolidated Subsidiary have obtained ISO 45001 and CNS 45001 certifications for occupational health and safety, emphasizing the physical and mental well-being of employees. Regular employee health check-ups are conducted, with special attention given to employees engaged in specific operations who undergo annual health examinations to prevent occupational hazards. The Company's medical staff visits the facility monthly to provide health lectures, training sessions, and to analyze and address health check-up results. Health-related information is periodically communicated to employees. First aid personnel are available to ensure the protection of employees' physical and mental health through evacuation procedures, emergency response, rest facilities, and other measures to prevent work-related health issues and promote maternal health protection. The latest certificate validity period is: <table><tr><th>Item</th><th>Category</th><th>Certificate Validity</th></tr><tr><td>The Company</td><td>ISO 45001 : 2018 CNS 45001 : 2018</td><td>2024/08/24~2027/08/23</td></tr><tr><td>Consolidated Subsidiary</td><td>ISO 45001 : 2018</td><td>2026/03/13~2029/02/14</td></tr></table>	Item	Category	Certificate Validity	The Company	ISO 45001 : 2018 CNS 45001 : 2018	2024/08/24~2027/08/23	Consolidated Subsidiary	ISO 45001 : 2018	2026/03/13~2029/02/14	No significant difference.
Item	Category	Certificate Validity											
The Company	ISO 45001 : 2018 CNS 45001 : 2018	2024/08/24~2027/08/23											
Consolidated Subsidiary	ISO 45001 : 2018	2026/03/13~2029/02/14											

Item	Implementation Status			Discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and its Reasons
	Yes	No	Summary	
(4) Has the Company established effective career development training programs for its employees?	√		1. The Company has established a clear training policy, with senior management committed to and actively participating in training initiatives. This is implemented through the 'Employee Education and Training Regulations' and a training blueprint to achieve the Company's operational philosophy, goals, and strategies. 2. In response to the Company's organizational development and growth dynamics, the Company prioritizes the cultivation plan for management succession. Successors must possess operational management skills, professional expertise, and outstanding work performance, while their values and core competencies should align with the Company's management philosophy, which includes integrity, proactivity, and a commitment to innovation. By implementing cross-departmental job rotations, project planning and execution, dual roles, work delegation, or assignments to overseas production bases, we aim to enhance the international capabilities and perspectives of our managers, fostering diverse skills and insights. Additionally, through professional training, we enable trainees to integrate their skills, develop decision-making abilities, and become well-rounded talents, strategically strengthening the future management team. Through a systematic and people-development-oriented process, combined with talent pooling and training, a gradual handover ensures that the company continues to operate smoothly even during transitions in key positions. Department heads participate quarterly in management meetings convened by the Chairman to gain insights into industry trends, organizational changes, and performance management, thereby enhancing strategic thinking and management capabilities, and nurturing potential candidates for the board or senior management succession. The Company regularly conducts promotion assessments to elevate outstanding management talent, with a total of 6 individuals promoted to managerial positions in 2025 (including one senior manager, one manager and four assistant managers). The training courses for managerial staff in 2025 will cover various categories such as professional skills, management skills, and general knowledge, with topics including corporate governance, sustainable development, carbon issues, integrity in business, and information security, totaling 510 hours, with an average of 12.14 hours of training per managerial staff member. 3. In 2025, a total of 5,249 participants engaged in employee training programs, accumulating 10,995 hours of instruction. The investment in training courses amounted to NT\$0.93 million, resulting in 438 individuals either obtaining new professional certifications or renewals across various job fields. Additionally, over NT\$330,000 was allocated as training subsidies for employees who participated in training sessions outside of working hours.	No significant difference.

Item	Implementation Status			Discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and its Reasons
	Yes	No	Summary	
(5) Does the Company comply with relevant laws and international standards in health, safety, and privacy of consumers as well as marketing and labeling of its products and services, and establish consumer protection policies and appeals procedures?	√		1. The Company operates based on the principles of "Innovation Breakthrough, Pursuing Excellence, Quality-First, and Giving Back to Society." It has obtained various certifications, such as ISO 9001 certification, TAF (Taiwan Accreditation Foundation) laboratory accreditation, TUV (Technischer Überwachungsverein) Rheinland ISO 14001 certification, TUV Rheinland ISO 45001 and CNS 45001 certifications, and JQA (Japan Quality Assurance) JIS MARK certification. 2. The Company has established the "Regulations for Customer Service" and designated dedicated technical service personnel to establish a customer-oriented quality system, fostering a strong sense of trust. The Company website also includes a dedicated section for stakeholders, providing a complaint hotline and email for inquiries and feedback.	No significant difference.
(6) Has the Company established supplier management policies, requesting suppliers to comply with relevant regulations on issues regarding environmental protection, occupational safety and hygiene, or labor rights, and disclosed the implementation?	√		1. The Company has established Supplier Management Procedures and Regulations for Procurement Management to systematically organize and plan supplier-related activities in order to meet quality, environmental, and occupational health and safety requirements. The "Supplier Management Policy" is publicly disclosed on the company's official website under the "Corporate Sustainable Development" section. This policy covers supplier qualifications, evaluations, training, and sustainability management. 2. To ensure our partners understand and comply with our security and ethical standards, we have published the "Code of Integrity Management" in the Corporate Governance section of our official website. Suppliers are required to sign the "Integrity and Anti-Corruption Commitment," which explicitly includes provisions on labor rights and human rights, occupational health and safety, environmental protection, and the prohibition of commissions and kickbacks. In 2025, 40 new suppliers signed the commitment, bringing the total to 495. 3. Suppliers of the Company are required to sign the "Contractor Membership Agreement Organization Application Form" and the "Contractor Safety and Health Management Commitment Letter," as well as confirming their compliance with the Company's Supplier Code of Conduct. Additionally, the Company holds an annual "Supplier Education and Training" event to share industrial safety and health concepts and practices with suppliers, thereby strengthening supplier management. 4. To enhance the sustainable management of the supply chain, YC INOX conducts on-site evaluations of suppliers annually to understand their management systems, quality systems, and manufacturing capabilities, providing an additional guarantee for product quality. Annual evaluations are conducted for suppliers with transaction amounts exceeding a specific threshold. These assessments include compliance with occupational health, safety, and environmental protection regulations. In 2025, 182 suppliers were evaluated, achieving a 100% pass rate. 5. To collaborate with suppliers on Corporate Social Responsibility (CSR) and sustainable development, we continued to implement the "Supplier CSR Self-Assessment" for new partners in 2025. This assessment covers legal compliance in areas such as the prohibition of child labor, prevention of forced	No significant difference.

Item	Implementation Status			Discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its Reasons
	Yes	No	Summary	
			labor, proper waste management, and the establishment of emergency response measures. The results serve as a baseline for our sustainable supply chain initiatives. In 2025, 40 new suppliers completed the self-assessment, achieving a 100% coverage rate.	
5. Has the Company adopted internationally recognized standards or guidelines to prepare non-financial reports such as sustainability report? Has the Company obtained a third-party assurance or verification for such reports?	√		The Company has stipulated the "Sustainable Development Best Practice Principles" and established the "Sustainability Committee". The 2025 Sustainability Report will disclose the Company's non-financial information in accordance with internationally accepted reporting standards and obtain assurance or verification opinions from a third-party verification agency.	No significant difference.
6. If the Company has established sustainable development principles based on Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the principles and their implementation: The Company has stipulated the "Sustainable Development Best Practice Principles", and has established comprehensive internal control systems and management procedures. All operations are carried out in accordance with the guidelines without any significant difference.				
7. Other key information useful for explaining the status of sustainable development implementation: With an investment of NT\$9,846 thousand in energy-saving and green energy equipment in 2025, the company expects to save 930,871.4 kWh of electricity and reduce carbon emissions by 441.23 tons annually. Furthermore, the company-wide electricity saving rate reached 2.79% for the year. The energy-saving measures are detailed as follows:				
Category	Description			Electricity Reduction (kWh)
Energy Management	Reducing compressed air system pressure Optimizing cooling tower fan operations			25,574 26,963
Equipment Efficiency Improvement	Stabilizing air compressor power output efficiency Replacing production welding machines with high-efficiency models			352,048.4 471,300
Process Energy Usage Reduction	Reducing cooling fan usage in the annealing section Consolidating dust collection ducting to reduce motor energy consumption			39,123 15,863
For other key information useful for explaining the status of sustainable development implementation, please refer to the Sustainability Development section on the Company website (http://www.ycinox.com/tw/ir/ir-261) and the 2025 Sustainability Report.				

Climate-related Information for Listed Companies

Implementation Status of Climate-related Information

Item	Implementation Status
1. Description of the board and management's oversight and governance on climate-related risks and opportunities.	YC INOX places great emphasis on environmental impact and climate change issues relevant to value chain. The Company actively develops measures to address global climate change and transition trends, aiming to mitigate industry's impact on climate and reduce operational disruptions caused by current trends. In order to identify risks and opportunities associated with climate change for each department and effectively mitigate and reduce extensive impacts arising from climate change, YC INOX adopted 2017 "Climate-Related Financial Disclosures Framework" issued by Financial Stability Board (FSB). This framework covers four core elements: governance, strategy, risk management, and metrics and targets. The Board of Directors is the highest governing body responsible for reviewing and guiding YC INOX's overall climate change strategy, action plans and annual objectives. The Sustainability Committee reports to them annually on implementation plans and achievements in this regard. In order to effectively manage climate-related risks and opportunities, YC INOX established a Sustainability Committee and formed an Environmental Sustainability Execution Team. Environmental Sustainability Execution Team is led by management from Health & Safety Office. In accordance with YC INOX's risk management policies, this execution team is responsible for analyzing and monitoring climate-related risks and opportunities. It holds regular meetings to discuss related topics. After compiling its work, the Environmental Sustainability Execution Team shall periodically report to Sustainability Committee.
2. Description of how the identified climate risks and opportunities impact the Company's business, strategy, and finances (short-term, mid-term, long-term).	YC INOX manages climate-related issues based on TCFD recommendation framework. The Company collects climate data beforehand and conducts cross-departmental discussions to identify significant climate change risks and opportunities. We assess short, medium, and long-term financial impacts of these risks and opportunities and formulates adjustment policies and response measures for the Company's operating models and strategies. Management timeframe is defined as short-term with impact of less than three years and medium to long-term with impact of more than three years. YC INOX identified climate-related risks and opportunities based on different time spans and topics by evaluating impact on the Company's operations before formulate response strategies. In total, 5 climate change risks and 3 climate change opportunities have been identified, please refer to page 48 of this annual report for the "Identification Results of Major Climate Risks and Opportunities".
3. Description of the impact on finance from extreme climate events and transitional actions.	For information regarding extreme weather events and transition actions' impact on finances, please refer to "Identification Results of Major Climate Risks and Opportunities" on page 48 of this annual report, or check the 2025 Sustainability Report or the Company website.
4. Description of how the identification, assessment, and management processes of	The process for managing climate change-related risks is executed by the Administration Department of the Company in accordance with the "Risk Management Policies and Procedures". We periodically collect information on domestic and international climate change trends and regulatory changes, identify climate related risks and opportunities in the industry, and compile a list of climate-related risks and opportunities. We also conduct educational training on climate risks and

Item	Implementation Status
climate risks are integrated into the overall risk management system.	opportunities, and hold group meetings to annually identify and screen risks. The process concludes with a summary of significant climate-related risks and opportunities for YC INOX, as well as existing management measures and response plans. For the overall risk management system at YC INOX, please refer to the risk management in the 2025 Sustainability Report and the Company website.
5. If scenario analysis is used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypotheses, analysis factors and major financial impacts should be provided.	Due to the increasing trend of carbon credit mechanism, carbon taxes or carbon fee implemented by countries worldwide may result in additional costs for businesses, leading to overall increase in operating costs. YC INOX will assess the primary financial impacts of the aforementioned transition risks under different scenarios. For complete information, please refer to the Carbon Fee/Tax Scenario Analysis in the 2025 Sustainability Report and the Company website.
6. If there are transition programs in response to managing climate-related risks, provide details of the programs, as well as the metrics and targets used to identify and manage physical risks and transitional risks.	For the transition programs in response to managing climate-related risks and the corresponding risk management measures, please refer to "Identification Results of Major Climate Risks and Opportunities" on page 48 of this annual report, or check the 2025 Sustainability Report and the Company website.
7. If the internal carbon pricing is used as a planning tool, the pricing mechanism should be explained.	As of the date of the annual report printing, YC INOX has not yet used internal carbon pricing as a planning tool.
8. If climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and annual progress should be explained; for targets achieved through carbon offset and Renewable Energy Certificates (RECs), the source of offset amount and number of RECs should be specified.	Facing the challenges of global climate change, YC INOX actively responds to Taiwan's 2050 net-zero emission policy. Through a series of strategic implementations and innovative technology applications, the Company is gradually consolidating its position as a sustainable leadership enterprise. Since 2021, YC INOX has simultaneously launched the ISO 14064-1 Greenhouse Gas Inventory and the ISO 50001 Energy Management System across all its mills in Taiwan, committed to reducing the carbon footprint of its operations. To actively manage the Company's carbon emission hotspots, YC INOX initiated a carbon footprint inventory program starting in 2023. This program is a comprehensive multi-year strategy, covering every stage from raw material procurement to the production process. The Company has set clear short-term, medium-term, and long-term goals, including completing the carbon footprint inventory for three major product categories between 2023 and 2024. These three product categories, evaluated for their significant carbon reduction potential, are: stainless steel coil from Douliou Mill I, stainless steel tube from Shijou Mill, and stainless steel pipe from Puoshing Mill and Douliou Mill II. The program is divided into three phases: Phase 1: Establish an inventory team, identify target products, create process maps, and determine life cycle boundaries. Phase 2: Collect inventory data within the product life cycle boundaries, conduct mass balance, allocation, and calculation.

Item	Implementation Status
	Phase 3: Conduct internal verification simulations, compile the carbon footprint inventory report, and, if necessary, perform third-party verification. The YC INOX carbon footprint initiative is a comprehensive, multi-year strategy that encompasses every aspect from raw material procurement to the production process. By 2024, the Company have completed the ISO 14067 product carbon footprint assessment and verification for three major product categories, including stainless steel coil from Douliou Mill I, stainless steel tube from Shijou Mill, and stainless steel pipe from Puoshing Mill and Douliou Mill II. Data from the carbon assessments in 2023 and 2024 indicate that carbon emissions during the raw material acquisition phase account for as much as 91% to 99%. In response, the Company is focusing on low-carbon raw material procurement while simultaneously planning to implement advanced environmental technologies to gradually reduce energy consumption and carbon emissions during the manufacturing phase.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plans (to be detailed in sections 1-1 and 1-2)	Please refer to pages 52 to 56 of this annual report.

Identification Results of Major Climate Risks and Opportunities:

Risk Type	Climate Risk Topic	Description	Potential Impact on the Company	Impact Time Span	Existing Management Measures	Response Strategies and Action Plans
Physical Risks						
Immediate Risks	Increased severity of extreme weather events such as typhoons and floods.	Increased probability of extreme weather events due to climate change can lead to changes in supply and demand for both upstream and downstream businesses. This can result in various impacts, such as rising raw material prices, increased global transportation costs leading to higher production costs, or causing production equipment damaged resulting in a shortage of production capacity.	Increased production costs and higher capital expenditures	Long term	1. Maintaining safe inventory level for raw materials and adjust sources of raw materials as needed. Staying updated on shipping status and synchronize this information with customers. 2. Staying informed about domestic extreme weather forecasts, enhance protection of equipment and raw material and establishing emergency power supply systems and backup water supply at mills. 3. Staying updated to news from supply sources to facilitate rapid adjustments in supply ratio in case of unforeseen circumstances. 4. Setting up disaster prevention facilities and providing personnel training for extreme weather disaster response. 5. Establishing emergency response standard operating procedures, including disaster prevention and reporting mechanisms, and formation of emergency contingency team.	1. Staying updated on supplier's raw material production status, as well as delivery lead times. Maintain constant communication between production planning unit and sales units to keep track of shipment progress in real-time. 2. Continuing to diversify sources of raw materials and increase raw material storage space as needed to reduce risk of raw material supply disruptions and adjust raw material safety inventory levels as circumstances require. 3. Production planning unit shall remain prepared to adjust production schedules as needed and conduct weekly production and sales meetings for setting up production goals. Flexibility is crucial for adapting to fluctuations in raw material lead times and prices. 4. Establishing Climate Risk Management Team to implement preventive protection measures for manufacturing equipment and raw materials based on early climatic alerts. 5. Conducting annual disaster preparedness exercises to enhance the Company's resilience in responding to extreme weather disasters.
Transition Risks						
Policy and Regulatory Risks	Increased carbon pricing for greenhouse gas emissions	Increasing trend of carbon credit mechanism, carbon taxes or carbon fee implemented by countries worldwide may result in additional costs for businesses, leading to overall increase in operating costs.	Increased operational costs	Short term	1. Completing Greenhouse Gas Inventory and Verification, and setting energy-saving and carbon reduction goals and strategies. 2. Continuously promoting the ISO 50001 Energy Management System, implementing various energy-saving and carbon reduction projects through a systematic PDCA management cycle, to mitigate the impact of carbon taxes. 3. Continuously monitoring the implementation methods and details of carbon fee collection by government agencies, as well as the reporting and taxation methods and legislative progress of the EU's CBAM and the USA's CCA.	1. To reduce carbon emissions, our company has been developing green energy by installing solar power systems. The total installed capacity of our solar power generation has reached 104.9% of the total contracted capacity across all our plants in Taiwan. Starting in 2025, we will gradually transition to a self-generation and self-consumption model to enhance our renewable energy utilization rate. 2. We focus on improving equipment efficiency, conducting regular equipment maintenance and minimizing refrigerant leakage. We also adhere to applicable government regulations and aim to achieve annual energy saving rate of at least 1%, thus reducing greenhouse gas emissions. 3. Progressively requesting carbon emission data from suppliers.

Risk Type	Climate Risk Topic	Description	Potential Impact on the Company	Impact Time Span	Existing Management Measures	Response Strategies and Action Plans
Policy and Regulatory Risks	Regulatory requirements and supervisions related to existing products and services.	Climate change has led regions to increasingly emphasize on environmental issues and subsequently establish related regulations and standards. In the future, if an enterprise fails to comply with standards and regulations of various regions, it could limit the sales channels, ultimately affecting the enterprise's revenue and growth.	Increased production costs and decreased operating revenue	Medium term	1. Complying with domestic environmental regulations related to emissions, energy, etc. Conduct regulatory reviews for key markets with more extensive regulations, such as EU and North American markets. 2. We have implemented "Supplier Management Measures", "Regulations for Procurement Management" and supplier corporate social responsibility self-assessment forms. Use systematic questionnaires and evaluations to collect and screen suppliers that meet environmental requirements. 3. To comply with government regulations, the Puoshing mill has implemented AFB, and the Douliou Mill II has installed domestic wastewater recycling system, as well as industrial wastewater and waste acid recycling systems. Also, the Douliou Mill I has implemented the Moving Bed Biofilm Reactor (MBBR) wastewater treatment technology.	1. Cultivating customer relationships through regular participation in exhibitions and stay updated on the latest regulations. 2. Voluntarily adopting ISO 14067 Carbon Footprint of Products and disclose product carbon content as a proactive measure to comply with increasingly stringent environmental regulations. 3. Collecting information through channels such as customers or through the internet, in order to conduct research, and respond promptly to latest regulatory requirements.
Technical Risks	Increased expenditures of transitioning to low-carbon technologies.	Adaptation to carbon neutrality issue leads to energy transition, such as increase usage of renewable energy and adoption of low-carbon production equipment or development of low-carbon production technologies as process improvement, which can result in higher operational costs.	Increased operating costs, higher capital expenditures, and rising research and development costs.	Long term	1. Establishing smart low-carbon mills, optimizing production equipment, and adjusting production processes to maintain high energy efficiency, thereby improving production efficiency, saving energy resources, and reducing operating costs. 2. Continuously promoting the installation of renewable energy systems to increase the Company's renewable energy generation capacity.	1. Actively promoting various energy-saving and carbon reduction projects, such as comprehensive upgrades or replacement of electrical and electronic wiring, to adapt to uncertainties caused by climate change. This can enhance process efficiency, reduce resource usage such as electricity and water and thereby decrease greenhouse gas emissions. 2. Holding monthly research and development meetings to review energy-saving and carbon reduction projects.
Reputation Risks	Growing concerns and negative feedback from stakeholders	In global context where climate change poses threat, if businesses cannot comprehensively assess associated risks and adopt proactive strategies to address them, it could lead to negative public perception. Other than that, it can also bring about challenges in talent recruitment and	Corporate reputation damaged, operating revenue decreases.	Medium term	In response to the EU's Carbon Border Adjustment Mechanism and the demands from the stakeholders such as the FSC regarding our compliance with environmental regulations and international agreements related to climate and sustainability issues, we have increased: 1. Comprehensive evaluation and improvement of energy efficiency. 2. Continuous monitoring the climate change-related issues and initiatives. 3. Timely disclosure of climate change-related information.	1. The Sustainability Committee and Climate Risk Management Team continue to operate, promote, and execute Sustainability Committee's resolutions. Climate Risk Management Team regularly reports progression and execution outcome to the Sustainability Committee and the Board. 2. The Company publishes sustainability report that incorporates relevant requirements of TCFD and SASB. This includes timely disclosure of climate change-related issues. 3. To fulfill the Company's commitment to environmental sustainability, various

Risk Type	Climate Risk Topic	Description	Potential Impact on the Company	Impact Time Span	Existing Management Measures	Response Strategies and Action Plans
		retention, reduced investor confidence or lower bank credit ratings. This, in turn, may result in loss or instability of company's fund sourcing.			4. Complying with disclosure requirements of FSC (R.O.C.). 5. Adherence to applicable environmental regulations. 6. Regularly report to the Board of Directors on the execution performance of sustainability initiatives. 7. Completing Greenhouse Gas Inventory and Verification, implementing ISO 14067 Carbon Footprint of Products and ISO 50001 Energy Management System to assess the Company's carbon footprint and achieve carbon reduction goals.	environmental improvement measures are implemented. For example, the introduction of AFB biological treatment technology at the Puoshing mill and the MBBR wastewater treatment technology at the Douliu Mill I have enabled the Company to achieve the national standards (total nitrogen level) for effluent water and the stricter industrial zone ammonia nitrogen effluent standards ahead of schedule for 2027. 4. The Company conducts ESG internal education and advocacy for employees and supervisors. We also actively participated in ESG-related advocacy events organized by regulatory authorities.

Opportunity Type	Climate Opportunity Topic	Description	Potential Impact on the Company	Impact Time Span	Existing Management Measures	Response Strategies and Action Plans
Energy Sources	Utilize low-carbon energy sources.	Policy goal set by Ministry of Economic Affairs to reach 20% renewable energy generation share by 2025 encourages us to increase share of renewable energy. It helps offset carbon emissions and attracts customer orders as well as investment institutions' attention through its low-carbon transition. This is beneficial for the Company's long-term planning.	Capital expenditure increases and operating revenue increases	Long term	1. Continuously promoting the installation of renewable energy devices to increase the Company's renewable energy generation capacity. 2. Comprehensive upgrades or replacement of electrical and electronic wiring to enhance energy efficiency.	1. Evaluating benefits and costs of upgrades or replacement of electrical and electronic wiring. 2. Implement energy load optimization: Deploy Industrial Battery Energy Storage Systems (BESS) to execute "peak shaving and valley filling" strategies, charging during off-peak hours and discharging during peak hours to reduce recurring electricity expenses. 3. Strengthen facility microgrid resilience: Integrate energy storage systems with existing renewable energy equipment to establish backup mechanisms for critical loads, ensuring core manufacturing processes remain uninterrupted during external grid power outages. 4. Engage in power dispatch and value transformation: Evaluate the feasibility of participating in electricity trading platforms (such as sReg and dReg) to convert energy storage resources into ancillary services, generating additional capacity and performance revenue. 5. Smart energy monitoring and forecasting: Implement Energy Management Systems (EMS) to accurately predict peak demand and automatically adjust storage charging/discharging strategies, minimizing the risk of penalties for exceeding contracted capacity.

Opportunity Type	Climate Opportunity Topic	Description	Potential Impact on the Company	Impact Time Span	Existing Management Measures	Response Strategies and Action Plans
Products and Services	Develop and/ or increase low-carbon products and services.	Research and develop low-carbon products or processes to meet market demands, thereby maintaining or increasing market channels and market share.	Research and development cost increases and operating revenue increases	Long term	1. Staying updated on market trends and customer demands while developing proactive technology. 2. Actively researching and developing differentiated or high-cost performance products.	1. The Company has implemented ISO 14067 Carbon Footprint of Products to address carbon disclosure requirements. 2. Requesting low-carbon raw materials from compliant suppliers. 3. Promoting use of relatively low-carbon materials, such as promoting wave-shape plate/sheet and substituting stainless steel for galvanized painted carbon steel materials. 4. Continuously strengthen relationships with technical partners to enhance the technological capabilities and economic benefits of waste recycling, aiming to achieve a higher rate of resource recovery from waste.
Resource Utilization Efficiency	Adopting more efficient production and distribution processes	By leveraging new technologies and techniques such as use of big data analysis and automation, the Company aims to enhance production efficiency and yield, thereby reducing energy consumption and waste generation.	Decrease in production costs and operating costs	Medium term	1. Utilizing data analysis to monitor equipment abnormalities in real-time. 2. Implementing process automation and collection of production data by the Engineering Department to review potential for optimizing current operations, increasing production efficiency and reducing energy wastage. 3. Implementing new machinery and evaluating usage of packaging materials. 4. Promoting Greenhouse Gas Inventory and Verification and ISO 14067 Carbon Footprint of Products to effectively track usage status of resources. Utilization of ISO 50001 energy management system to improve process efficiency and reduce energy consumption as needed. 5. Participate in Taiwan Power's demand response load management measures, adjust scheduling, and shift peak electricity usage.	1. Analyzing feasibility of automation production lines. 2. Proposing to install data analysis instruments on equipment such as setting up smart meters and data loggers for temperature and gas pressure. Data collected will be presented on a dashboard so that we can perform data evaluation regularly. 3. Purchasing new welding equipment to increase production speed. 4. Analyzing energy requirements of individual operation and propose energy-saving solutions. 5. Exploring alternative for existing energy sources. 6. Recycling, purifying and reusing wastewater generated during manufacturing.

1-1 Status of The Company's Greenhouse Gas Inventory and Assurance for The Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Description of greenhouse gas emissions for the most recent two years (in metric tons of CO₂e), intensity (In metric tons of CO₂e per production in tons), and data coverage.

The Company has established a greenhouse gas inventory mechanism in accordance with the Greenhouse Gas Protocol and the ISO 14064-1:2018 standard set by the International Organization for Standardization (ISO). Since 2020, we have conducted annual greenhouse gas emissions assessments for our individual operations, and starting in 2024, this will extend to our consolidated financial reporting subsidiaries. This process allows us to thoroughly understand our greenhouse gas usage and emissions, as well as to verify the effectiveness of our reduction initiatives. Furthermore, the greenhouse gas inventory data for the past two years has been compiled based on the operational control approach, encompassing all greenhouse gas emissions from both the Company and its consolidated subsidiaries, as detailed below:

Year		2024		2025	
Item		Greenhouse Gas Emissions (Metric tons of CO ₂ e)	Intensity (Metric tons of CO ₂ e per production in tons)	Greenhouse Gas Emissions (Metric tons of CO ₂ e)	Intensity (Metric tons of CO ₂ e per production in tons)
The Company	Scope 1	1,820.33		1,724.39	
	Scope 2	18,277.08		16,475.82	
	Scope 3	8,401.68		6,463.78	
	Sub total	28,499.09		24,663.99	
Consolidated Subsidiary	Scope 1	551.88		941.40	
	Scope 2	2,137.24		3,879.32	
	Scope 3	138,144.22		118,438.81	
	Sub total	140,833.34		123,259.53	
Total		169,332.43	0.98	147,923.52	1.11

Note:

1. Direct emissions (Scope 1): From use of natural gas, gasoline and diesel, welding, refrigerant fugitive, and other direct emissions created during manufacturing processes.
2. Other emissions (Scope 2): From purchased electricity.
3. Other indirect emissions (Scope 3): From raw material, mining, manufacturing, and processing process (e.g., purchased electricity, tap water, and pharmaceutical), transportation, wastewater discharge, waste treatment emissions, and other indirect emissions.
4. The Company's greenhouse gas inventory is conducted in accordance with the GHG Protocol ISO 14064-1 procedures and has been verified by a third party. Regarding emission factors, the factor for purchased electricity is based on the national emission factor and data from the Energy Administration's Greenhouse Gas Information Center for the Energy Industry. All other factors are derived using the applicable emission factors published by the IPCC.
5. The source of the Global Warming Potential (GWP) in this table is the IPCC Sixth Assessment Report (2021).
6. The indirect emissions from consolidated subsidiaries (Scope 3) differ due to the significance assessment criteria being set differently from those of the Company.

1-1-2 Greenhouse Gas Assurance Information

Description of the assurance status, including the assurance scope, assurance institution, assurance standards, and assurance opinion for the most recent two years.

In paragraph 1-1-1, the Company discloses its total greenhouse gas emissions, indicating that for the year 2020, the assurance scope pertains solely to the Company itself, accounting for 100% of its total emissions for that year. For the year 2024, the assurance scope will include the subsidiaries covered by the consolidated financial report, representing 100% of the total emissions of those subsidiaries for that year. This assurance has been conducted by TÜV Rheinland Taiwan Ltd. (the Company itself) and UnityCert (the Consolidated Subsidiary) in accordance with the Greenhouse Gas Protocol and the ISO 14064-3:2019 standard issued by the International Organization for Standardization (ISO), with the assurance opinion being classified as reasonable assurance.

The following outlines the assurance status of the greenhouse gas inventory for the Company and its Consolidated Subsidiary over the past two years.

Assurance Scope		2024	2025	Assurance Institution	Assurance Standard	Assurance Opinion
The Company	Scope 1	1,820.33	1,724.39	TÜV Rheinland Taiwan Ltd.	ISO 14064-3:2019 Reasonable Assurance (Scope 1 and Scope 2) Limited Assurance (Scope 3)	Unqualified Conclusion/Opinion
	Scope 2	18,277.08	16,475.82			
	Scope3	8,401.68	6,463.78			
	Total	28,499.09	24,663.99			
	Percentage of the data disclosed in paragraph 1-1-1	100%	100%			
Consolidated Subsidiary	Scope 1	551.88	941.40	UnityCert	ISO 14064-3:2019 Reasonable Assurance	Unqualified Conclusion/Opinion
	Scope 2	2,137.24	3,879.32			
	Scope3	138,144.22	118,438.81			
	Total	140,833.34	123,259.53			
	Percentage of the data disclosed in paragraph 1-1-1	100%	100%			

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Description of the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the progress toward achieving the reduction targets.

Item	The Company	Consolidated Subsidiary
1. The baseline year for greenhouse gas reduction and its data.	1. Baseline Year: 2025 2. Scope 1, Scope 2, and Scope 3 GHG emissions by all mills totaled 1,724.39, 16,475.82, and 6,463.78 metric tons CO₂e, respectively. Scope 3 inventory types mainly included indirect emissions from raw material mining, manufacturing, and processing processes (purchased electricity, tap water, pharmaceutical use, and transportation) and other indirect emissions.	1. Baseline Year: 2025 2. Scope 1, Scope 2, and Scope 3 GHG emissions by all mills totaled 941.40, 3,879.32, and 118,438.81 metric tons CO₂e, respectively. Scope 3 inventory types mainly included indirect emissions from raw material mining, manufacturing, and processing processes (purchased electricity, tap water, pharmaceutical use, and transportation) and other indirect emissions.
2. Enterprise Strategies for Climate Change Adaptation or Greenhouse Gas Management.	The Company's all mills in Taiwan began conducting ISO 14064-1 Greenhouse Gas Emission Inventory and ISO 50001 Energy Management System implementation in 2021, with ISO 50001 third-party verification completed in that same year and ISO 14064-1 Scopes 1 to Scope 3 inventories and third-party verification completed in 2022. The Company continues to promote energy-saving and carbon-reduction projects to address risks posed by future climate change to its operations. In 2025, the Company formulated relevant risk management policies and strategies based on risk assessments as follows: 1. The Company has established "Pre-Environmental Review Management Procedures" and "Energy Review Operating Procedures" in accordance with ISO 14001 and ISO 50001 requirements. These procedures shall be subjected to annual management reviews and appropriate measures are proposed to ensure effective operation of environmental and energy management system. 2. Various management measures have been established to implement and control waste reduction, emissions reduction, pollution prevention, and other projects, actively avoiding the risk of environmental pollution. 3. Effective waste sorting is conducted to minimize waste generation and enhance waste resource recovery rates as much as possible. 4. In response to the global trend of IFRS Sustainability Disclosure Standards, the Company has taken the lead in the Taiwan region this year by transitioning its greenhouse gas (GHG) inventory verification standard from ISO 14064-1 to the GHG Protocol. By aligning with this mainstream international framework, we aim to enhance the transparency and comparability of our carbon emission data, establishing a solid foundation for future sustainability disclosures.	Starting in 2024, the Consolidated Subsidiary initiated ISO 14064-1 Greenhouse Gas Emission Inventory and third-party verification, continuing efforts to promote energy-saving and carbon reduction projects in response to the risks posed by future climate change on company operations. The related measures implemented are as follows: 1. Various management measures have been established to implement and control waste reduction, emissions reduction, pollution prevention, and other projects, actively avoiding the risk of environmental pollution. 2. Effective waste sorting is conducted to minimize waste generation and enhance waste resource recovery rates as much as possible. 3. The Consolidated Subsidiary has obtained the I-REC certificate from the Organized Industrial Zone (OIZ), which verifies that the electricity it uses or produces comes from renewable sources, further demonstrating its commitment to sustainable environmental development.

Item	The Company		Consolidated Subsidiary	
	Short Term (2027)	Medium-to-Long Term (2030)	Short Term (2027)	Medium-to-Long Term (2030)
3. Enterprise greenhouse gas emission reduction targets.	1. Electricity usage savings by >1% annually. 2. Obtain ISO 14067 Carbon Footprint of Products certification for type 1 products. 3. Establishing intelligent monitoring system that can capture 75% of Company's electricity consumption information. 4. Compliance with regulations relating to climate action and greenhouse gas emissions disclosure.	1. Electricity usage savings by >1% annually. 2. Optimize the intelligent monitoring system to capture 90% of the Company's electricity consumption data. 3. Regularly conduct assessments of climate risks and opportunities, and develop corresponding strategies and action plans.	1. Enhancing supply chain management by requiring suppliers to provide emissions data for raw materials and opting for materials with lower emissions. 2. Gradually phasing out traditional vehicles in favor of electric or hybrid models to reduce reliance on fossil fuels. 3. Improving energy efficiency in lighting systems by replacing fixtures with LED lights and installing automatic sensors. 4. Implementing advanced pickling production systems to optimize the pickling process and recover waste acid, thereby increasing production efficiency and reducing energy consumption.	1. Regularly identify climate-related risks and opportunities, and develop corresponding strategies and action plans. 2. Monitor power consumption across all machinery and equipment to facilitate energy-saving initiatives, such as upgrading to high-efficiency systems. 3. Continuously enhance production efficiency by adopting energy-efficient technologies and redesigning processes. 4. Fully promote the transformation of welding techniques from traditional TIG welding to fiber laser welding to improve production efficiency and reduce energy consumption.
4. Specific Budget and Plan for Greenhouse Gas Emission Reduction.	The Company is actively promoting the installation of solar power generation systems as follows: 1. Total solar energy installed capacity was scaled up from 5,511.72 kWp to 11,638.385 kWp. 2. Promote waste resource recovery initiatives to continuously increase the recycling rate, thereby reducing greenhouse gas emissions from waste management. 3. Enhance the accuracy of carbon assessments and implement ISO 14067 for product carbon footprints. 4. In 2025, to align with the global trend of IFRS Sustainability Disclosure Standards, the Company's Taiwan operations took the lead in transitioning its greenhouse gas (GHG) inventory verification standard from ISO 14064-1 to the GHG Protocol. This strategic alignment with the mainstream international framework enhances the transparency and comparability of carbon emission data, laying a robust foundation for future sustainability disclosures.		1. Electricity consumption decreased from 4,934,740.29 kWh in 2024 to 4,633,156.83 kWh in 2025. This significant reduction demonstrates the effectiveness of our efforts in enhancing energy efficiency and optimizing manufacturing processes. 2. As part of our sustainability initiatives, I-REC certification remained valid throughout 2025. This reflects our ongoing commitment to utilizing renewable energy and reducing our corporate carbon footprint. 3. We have upgraded 17 machines from Tungsten Inert Gas (TIG) welding to advanced fiber laser technology, resulting in substantial energy savings. The unit energy consumption was reduced from 54 kWh for TIG welders to 27.5 kWh for fiber laser welders—a decrease of approximately 49% per machine. These improvements have contributed significantly to reducing overall power consumption and emissions. 4. For FY2026, we plan to upgrade an additional five machines to fiber laser technology, which is expected to further improve energy efficiency and continue our emission reduction trajectory.	

Item	The Company	Consolidated Subsidiary
		5. At the 105 Piping Plant, the investment in the pickling production line has been completed and is now fully operational. This line utilizes an advanced treatment system designed to minimize environmental impact while ensuring the proper management and recycling of process chemicals.
5. Achievement of Emission Reduction Targets.	1. The Company achieved an energy saving rate of 2.79% across all mills. In 2025, the total energy savings for the Company amounted to 930,871.4 kWh, resulting in a reduction of 441.23 metric tons of CO2e emissions annually. 2. The installed capacity of green power accounts for 104.9% of the total contracted capacity for all facilities in Taiwan. In 2025, the total solar power generation reached 13,932 thousand kWh, resulting in a reduction of approximately 6,604 metric tons of CO2e emissions. 3. Through the implementation of waste reduction programs since 2021, we have achieved a continuous five-year decrease in total waste. As of 2025, waste volume fell to 1,009.30 metric tons—a substantial 30% reduction from the 1,448.13 metric tons recorded in 2021.	1. In 2025, the Company maintained its downward trend in emissions through the implementation of energy-saving measures, process improvements, and technological transformation. 2. Following the inclusion of the Third Plant (Piping Plant) into the 2025 emission inventory, total GHG emissions were calculated at 123,259.53 metric tons of CO2e. However, on a comparable basis (excluding the Piping Plant), total emissions decreased to 87,383.48 metric tons of CO2e. This represents an approximately 16.7% reduction in GHG emissions compared to 2024. 3. The continuity of our GHG reduction efforts is ensured through the implementation of various strategic actions and sustainability-focused initiatives.

2.3.6 Implementation of Ethical Corporate Management, Discrepancy from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and Reasons for such Discrepancy:

Evaluation Item	Implementation Status			Discrepancy from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policies and programs				
(1) Has the Company formulated ethical corporate management policies approved by the Board of Directors and specified its ethical corporate management policies, measures, and the commitment of Board of Directors and the senior management on active implementation of such policies in its regulations and external documents?	√		The Company has stipulated the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" which have been approved by the Board of Directors to establish and improve the corporate culture of integrity management, and has publicly disclosed them on the Company website. The Directors and senior management actively practice the commitment to the ethical management policy and implement it in internal management and external business activities.	No significant difference.
(2) Has the Company established a risk assessment mechanism against unethical behavior, periodically analyzed and assessed operating activities with higher risk of unethical behavior within its business scope, and established prevention programs accordingly which at least include precautions against behaviors stipulated in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles" for TWSE /TPEX Listed Companies?	√		In order to prevent the risks caused by dishonest business activities, the "Ethical Corporate Management Best Practice Principles" has defined dishonest behaviors and correspondence benefits, and set it in the "Procedures for Ethical Management and Guidelines for Conduct" to specify standards for preventing unethical behaviors. Effective accounting systems and internal control systems are established, which have to be reviewed from time to time to ensure the continuous and effective implementation of the system.	No significant difference.
(3) Has the Company specified operating procedures, guidelines for conduct, disciplinary and appeal system in its programs to prevent unethical behavior, implemented them accordingly and regularly reviewed those programs?	√		The Company has stipulated regulations such as "Ethical Corporate Management Best Practice Principles", "Factory Working Rules", "Codes of Ethical Conduct for the Directors and Managerial Officers" and "Codes of Ethical Conduct for Employees", specify related operating procedures, acting guidelines, punishment and appeal systems for violations, etc., which shall be implemented and regularly reviewed and amended. In addition, the employee ethic guarantee insurance is insured, and irregular education and training are arranged for new employees and in-service employees. Advocating at various meetings from time to time are adopted for implementation reason. Moreover, related positions have been regularly rotated to prevent the occurrence of abuses.	No significant difference.
2. Implementation of Ethical Corporate Management				
(1) Does the Company evaluate the ethical records of counterparties and specify ethical conduct clauses in business contracts?	√		The Company has stipulated the "Supplier Management Measures", which clearly specifies that the suppliers' performance and integrity must be assessed. Suppliers are required to sign a commitment letter to honest transactions and integrity. In addition, the contract requires suppliers to abide by the Company's "Ethical Corporate Management Best Practice Principles" to avoid unethical behavior which would damage the Company's rights and interests.	No significant difference.

Evaluation Item	Implementation Status			Discrepancy from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(2) Does the Company establish an exclusively dedicated unit under the Board of Directors to be in charge of ethical corporate management and report its ethical corporate management policies, programs to prevent unethical behavior, and the supervision of implementation of those policies to the Board of Directors regularly (at least once a year)?	√		To ensure sound ethical management, the Administration Department serves as the dedicated unit responsible for formulating the integrityethical corporate management policies and prevention programs, as well as ensuring their implementation. The Finance Department is tasked with supervising execution. The ethical management execution in 2025 has been reported to the Board of Directors on December 26, 2025. The company has effectively implemented its ethical corporate management policies. The execution status for the 2025 fiscal year is as follows: 1. Education and Training: Conducted three training and awareness sessions across all plants in 2025, with a total of 25 participants. Arranged for management-level executives to attend two relevant courses organized by competent authorities, totaling 6 hours. 2. Commitment Signing: Four newly appointed management-level executives in 2025 have signed the "Statement of Compliance with Ethical Corporate Management Policy." Forty new suppliers signed the "Ethical Trading and Integrity Commitment" in 2025, bringing the cumulative total to 495 signed suppliers.	No significant difference.
(3) Does the Company formulate policies to prevent conflict of interests, provide appropriate reporting channels, and implement it accordingly?	√		The Company has stipulated regulations such as "Procedures for Related Parties Transactions Management", "Procedures for Ethical Management and Guidelines for Conduct", "Codes of Ethical Conduct for the Directors and Managerial Officers" and "Codes of Ethical Conduct for Employees", clearly stipulate policies to prevent conflicts of interest, and has set up a special column for interested parties on the Company website to ensure their rights and interests.	No significant difference.
(4) Has the Company established effective accounting and internal control systems for ethical corporate management, developed relevant audit plans based on the results of risk assessment of unethical behavior, and audited the status of compliance with the programs to prevent unethical behavior by the internal audit unit or engaged independent auditors?	√		In order to ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system. Internal auditors regularly check the compliance of such systems. The Company's financial statements are audited or reviewed by the independent auditors every quarter, and implementation of such systems is evaluated annually by the independent auditors as well.	No significant difference.
(5) Does the Company regularly hold internal and external trainings on ethical corporate management?	√		In accordance with the "Regulations for Employees' Education and Training", the Company promotes the policy of honest management, the prevention plan of dishonesty and the consequences of violating dishonesty in departmental meetings or various education and training courses from time to time. During the pre-job training for new employees, we conducted honesty and moral education and publicity, with a total of 24 people attended, and the total training time was 13.5 hours. The publicity briefing has been placed in the Company's intranet system; the Company has also sent personnel to participate in relevant courses held by the competent authority to strengthen employees' awareness of compliance.	No significant difference.

Evaluation Item	Implementation Status			Discrepancy from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
3. Implementation of Whistleblowing System (1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	√		The Company has stipulated the "Procedures for Ethical Management and Guidelines for Conduct" and the "Codes of Ethical Conduct for Employees," which extend to all subsidiaries. A dedicated whistleblower hotline and email inbox have been set up, with a specialized unit responsible for handling related matters in accordance with regulations. If a report is verified as true, it will be handled according to the Company's reward and punishment regulations; any illegal activities will also be subject to legal action. The Company encourages both internal and external personnel to report unethical or improper conduct. Depending on the severity of the reported case, a reward of up to NT\$1 million may be granted. Internal personnel found to have made false reports or malicious accusations shall be subject to disciplinary action, and in serious cases, dismissal. Whistleblowing and Complaint Channels are as follows: Whistleblowing Hotline: +886-4-8895577 Whistleblowing Email: a2@ycinox.com Written Submission: Please mail or deliver complaint documents to the Headquarters' Internal Audit Office. In 2025, the Internal Audit Office did not receive any internal or external reporting letters.	No significant difference.
(2) Does the Company establish standard operating procedures for investigating cases reported, follow-up measures to be adopted after investigation, and related confidentiality mechanisms?	√		The Company has clearly established investigation procedures for reported matters, follow-up measures to be taken after investigations, and relevant confidentiality mechanisms. The specific practices are as follows: 1. If a report involves a general employee, it shall be reported to the department head. If the report involves a director or senior executive, it shall be reported to the independent directors. 2. The dedicated unit and the supervisors or personnel mentioned above shall immediately investigate the relevant facts. When necessary, the compliance department or other relevant departments shall provide assistance. 3. If it is confirmed that the respondent has indeed violated laws or the Company's ethical management policies, they shall be ordered to cease the conduct immediately. Appropriate disciplinary actions will be taken, and when necessary, legal proceedings will be initiated to seek damages to protect the Company's reputation and interests. 4. The intake, investigation process, and results of all reports must be documented in writing and retained for five years, which may be stored electronically. If litigation related to the report occurs before the retention period expires, the relevant data shall be preserved until the conclusion of the litigation. 5. For substantiated reports, relevant units shall be tasked with reviewing internal control systems and operating procedures, and proposing improvement measures to prevent recurrence.	No significant difference.

Evaluation Item	Implementation Status			Discrepancy from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			6. The dedicated unit shall report the reported incidents, the handling methods, and the subsequent improvement measures to the Board of Directors. 7. All personnel involved in handling reports must provide a written statement pledging to maintain the confidentiality of the whistleblower's identity and the content of the report.	
(3) Does the Company adopt measures to protect whistleblowers?	√		Under the "Ethical Corporate Management Operating Procedures and Code of Conduct," the Company ensures full protection for whistleblowers, guaranteeing they will be shielded from retaliation or any unfair treatment following a report.	No significant difference.
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company website and MOPS?	√		The Company has announced the "Ethical Corporate Management Best Practice Principles" on the Company website. Investors can also find those principles in the "Corporate Governance" section of the MOPS. The Company has also disclosed relevant information on the Company website, so as the annual report regarding the implementation of ethical management.	No significant difference.
5. If the Company has formulated its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the implementation and its discrepancies with the principles: The Company has established the "Ethical Corporate Management Best Practice Principles" based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies", and there is no significant difference between the Company's implementation practice of the principles and the latter's requirements.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management practices (e.g. reviews and amends its Ethical Corporate Management Best Practice Principles): (1) The Company has amended the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" to specifically regulate the matters that the Company's personnel should pay attention to when performing business. (2) The Company has established the regulations such as "Procedures for Prohibition of Insider Trading Regulations", "Procedures for Handling Material Inside Information", "Insider Equity Change Management Operational Procedure", "Codes of Ethical Conduct for the Directors and Managerial Officers" and "Codes of Ethical Conduct for Employees", which clearly stipulate that the Directors, Independent Directors, Managerial Officers and employees shall do their best to the care and loyalty of prudent administrator, and uphold the principle of honesty and credibility to perform their business. They shall also sign a confidentiality agreement with the Company, and shall not leak important internal information to outsiders. (3) The Company has stipulated the "Rules of Procedure for Board of Directors Meeting", which clearly stipulates the recusal mechanism for conflict-interested Directors.				

2.3.7 Other Important Information to Facilitate a Better Understanding of the Implementation of Corporate Governance at the Company:
Please refer to Page 19.

2.3.8 Implementation Status of Internal Control System

A. Statement on Internal Control System

Please refer to the MOPS at <https://mops.twse.com.tw/mops/#/web/t146sb10>.

B. Company who has engaged Independent Auditors to review the Company's internal control system, the independent auditors' review report should be disclosed: Not applicable.

2.3.9 Material Resolutions Adopted by the Shareholders' Meeting and the Board of Directors in the Most Recent Year up to the Publication Date of this Annual Report:

A. Material Resolutions of the Shareholders' Meeting in 2025:

Date of Meeting	Material Resolutions	Implementation Status
June 16, 2025	- Adoption of the 2024 Business Report and Financial Statements. - Adoption of the proposal of 2024 earnings distribution. - Cash dividends distributed from capital surplus. - Amendment of Articles of Incorporation.	Implementation in accordance with resolutions. ✧ Cash dividends distributed from capital surplus: In the Board Meeting on June 16, 2025, the Board of Directors had resolved that the ex-dividend record date was July 21, 2025; cash dividends were distributed on August 11, 2025, and each share was entitled to receive NT\$1.0 cash dividend.

B. Material Resolutions of the Board of Directors in 2024 up to the Publish Date of the Annual Report:

Date of Meeting	Material Resolutions
Mar 7, 2025	- The report of internal control system self-assessment for 2024. 2024 financial statements (parent company only and consolidated). 2024 Business report. - The independence evaluation of the certified public accountants - The appointment of attestation CPA who are responsible for the audit of 2025 financial statements and related audit fee. 2024 Earnings Distribution. - Cash dividends distributed from capital surplus. - The change of the Chief Accounting Officer. - The capital injection to YC INOX TR Çelik Sanayi ve Ticaret A.Ş.. 2024 Employees' profit sharing and directors' compensation. - Amendment of Articles of Incorporation. - Amendment of Policies and Regulations of Salary and Compensation. - Appointment of Supervisor of Ji-Mao Investment Co., Ltd. 2025 General Shareholders' Meetings affairs.
May 9, 2025	- The appointment of the Chief Accounting Officer. - The appointment of the Chief Internal Auditor. 2025Q1 consolidated financial statements. - New stock issuance for capital increase converted from 3rd domestic unsecured convertible corporate bonds. - Lending funds to subsidiary. - Donation to the "Changhua County Sports Development Fund." - The appointment of the Acting Spokesperson. - Climate-related financial disclosure information. - Development of the Greenhouse Gas Management Strategy, Reduction Targets, and Plan. 2024 Sustainability Report Issuance Proposal.
August 8, 2025	2025Q2 consolidated financial statements. - New stock issuance for capital increase converted from 3rd domestic unsecured convertible corporate bonds. - Pre-approved Non-Assurance Services (CPA). - Donation for the Yunlin County Government Local Education Development Fund Special Account.
Nov 7, 2025	2024Q3 consolidated financial statements. - New stock issuance for capital increase converted from 3rd domestic unsecured convertible corporate bonds. - Realignment of Puoshing Mill Production Lines. - Donation for the New Construction Project of the Residential Long-Term Care and Teaching Building, National Taiwan University Hospital Yunlin Branch. - Corporate Value Enhancement Plan.

Date of Meeting	Material Resolutions
Dec 26, 2025	1. Update of the 2025 budget. 2. 2026 business plan. 3. 2026 annual budget. 4. 2026 Internal audit plan. 5. Amendment to Internal Control Self-Assessment Procedures. 6. Promoting the Adoption Plan for the "IFRS Sustainability Disclosure Standards. 7. Amendment of Procedures for Organizational Management. 8. Amendment to the Management Measures for Property, Plant, Equipment, and Intangible Assets. 9. Amendment of Payroll Policy. 10. Amendment of the Regulations for management of monthly operating profit sharing. 11. Employee Salary Adjustments. 12. Monthly Fixed Salary Adjustments for All Executives and the Chairman (Concurrently Serving as CEO).
Jan 30, 2026	1. New stock issuance for capital increase converted from 3rd domestic unsecured convertible corporate bonds. 2. The change of the Chief Financial Officer and Spokesperson. 3. The change of the Chief Accounting Officer and Acting Spokesperson. 4. The change of the Corporate Governance Officer. 5. Appointment of Director of Ji-Mao Investment Co., Ltd.
Mar 11, 2026	1. The report of internal control system self-assessment for 2025 2. 2025 financial statements. 3. 2025 business report 4. The independence evaluation of the certified public accountants 5. The appointment of attestation CPA who are responsible for the certification of 2026 financial statements and related audit fee. 6. 2025 Earnings Distribution 7. Cash dividends distributed from capital surplus 8. 2025 Employees' profit sharing and directors' compensation. 9. 2026 General Shareholders' Meetings affairs.
May 8, 2026	1. 2026Q1 consolidated financial statements. 2. Lending funds to subsidiary. 3. The Implementation Status of the IFRS Sustainability Disclosure Standards Adoption Plan. 4. Climate-related financial disclosure information. 5. Development of the Greenhouse Gas Management Strategy, Reduction Targets, and Plan. 6. 2025 Sustainability Report Issuance Proposal. 7. 2025 Frontline Employee Compensation Distribution 8. Donation to the "Changhua County Sports Development Fund."

C. Resolution results: Above proposals were unanimously adopted by all attending Directors.

D. Execution status: All proposals were executed in accordance with the resolutions.

2.3.10 Dissenting Opinions or Qualified Opinions on Resolutions Passed by the Board of Directors Which Are Made by Directors and are Documented or Issued through Written Statements in the Most Recent Year up to the Publication Date of This Annual Report: None

2.4 Information of Independent Auditors' Fees

2.4.1 Information of Independent Auditors' Fees

Unit: NT\$ thousands

CPA Firm	Engagement Partners	Audit Period	Audit Fee	Non-Audit Fee	Total	Remark
Deloitte & Touche	Tseng, Done-Yuin	2025.01.01~2025.12.31	3,950	200 (Note)	4,150	—
	Liu, Li-Wei					

Note: Deloitte & Touche has been engaged to handle the registration of changes for capital increase through the conversion of corporate bonds, issue the CPA Capital Audit Report, and review relevant documents for the 4th issuance of convertible bonds.

1. If the Company replaces the attestation CPA firm and the audit fees paid to the new attestation CPA firm in the most recent year are lower than the audit fees in the preceding year, the amounts of the audit fees before and after the replacement and the replacement reason shall be disclosed: Not Applicable.

2. If audit fees have decreased by 10% or more in comparison to the preceding year, the decreased amount, decreased percentage and decreasing reason shall be disclosed: Not Applicable.

2.5 Replacement of Independent Auditors:

2.5.1 Information on the predecessor CPA

Date of replacement	March 7,2025		
Reason for replacement and explanation	Accounting firm's internal adjustment		
Description of whether the Company or the CPA terminated or discontinued the engagement	Person involved		
	Situation	CPA	The Company
	Voluntarily ended the engagement	N/A	N/A
	Declined (Discontinued) further engagement	N/A	N/A
If the predecessor CPA issued an audit report during the past 2 years containing an opinion other than an unqualified opinion, state the opinion and reason	N/A		
Indicate whether there were any disagreements between the predecessor CPA and the Company	Yes	—	Accounting principles or practices
		—	Financial report disclosure
		—	Auditing scope or procedure
		—	Others
	No	V	
	Explanation		
Other disclosures (matters related the Article 10, paragraph 6, items 1(4) to 1(7) of the Regulations that must be disclosed)	None.		

2.5.2 Information on the successor CPA

Name of the accounting firm	Deloitte & Touche
Name of the CPA	CPA Tseng, Done-Yuin, CPA Liu, Li-Wei
Date of Engagement	March 7, 2025
If the Company consulted the successor CPA prior to engagement regarding the accounting treatment of or application of accounting principles to a specific transaction as well as the type of audit opinion that might be rendered on the Company's financial report, indicate the subjects of those consultations and the consultation results	N/A
Written views of the successor CPA regarding the matters on which the Company disagreed with the predecessor CPA	N/A

2.5.3 Content of the reply letter from the predecessor CPA regarding Article 10, paragraph 6, items 1 and 2(3) of the Regulations: N/A

2.6 Information on the Company's Chairman, CEO or Managerial Officers Who Are Responsible for Accounting Matters Having Served in the Attestation CPA Firm or Its Affiliates in the Most Recent Year, the Company Shall Disclose the Individual's Name, Position, and the Duration of Their Employment with the Attestation CPA Firm or Its Affiliated Entities. The Term "Affiliated Entities of the Attestation CPA Firm" Refers to Companies or Institutions in which the Attestation CPA Firm Holds more than 50% of the Shares, Controls a Majority of Board Seats, or Has Listed as Affiliates in Publicly Issued or Printed Materials by the Attestation CPA firm.: None.

2.7 Status of Changes in Shareholding Transfer or Shareholding Pledge of Directors, Managerial Officers and Major Shareholders Who Hold 10% or More Of the Company's Issued Shares:

2.7.1 Changes in shareholding of Directors, Managerial Officers and major shareholders:

Please refer to the MOPS at <https://mops.twse.com.tw/mops/#/web/IRB110>.

2.7.2 Shareholding Transfer from/to Related Parties: None.

2.7.3 Shareholding Pledge to Related Parties: None.

2.8 Relationship Information Between the 10 Largest Shareholders in Terms of Shareholding Ratio

As of April 18, 2026; Unit: Shares

Name	Current Shareholdings		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Relationship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Tai Chyang Investment Co., Ltd.	71,019,088	13.43%	—	—	—	—	NA	NA	—
Chang, Chin-Yu (Representative of Tai Chyang Investment Co., Ltd.)	22,417,503	4.24%	—	—	—	—	Chang, Chin-Peng Chang, Shu-Ying Chang, Po-Kai	Brother Sister Son	—
Chang, Chin-Peng	28,265,865	5.34%	—	—	—	—	Chang, Chin-Yu Chang, Shu-Ying	Brother Sister	—
Chang, Chin-Yu	22,417,503	4.24%	—	—	—	—	Chang, Chin-Peng Chang, Shu-Ying Chang, Po-Kai	Brother Sister Son	—
Chang, Shu-Ying	13,029,379	2.46%	—	—	—	—	Chang, Chin-Yu Chang, Chin-Peng	Brother Brother	—
Chang, Po-Kai	7,909,597	1.50%	—	—	—	—	Chang, Chin-Yu	Father	—
Chin Ying Fa Mechanical Ind. Co., Ltd.	7,600,000	1.44%	—	—	—	—	NA	NA	—
Shih, Yu-Lung (Representative of Chin Ying Fa Mechanical Ind. Co., Ltd.)	3,855,283	0.75%	—	—	—	—	NA	NA	—
TransGlobe Life Insurance Inc.	5,563,788	1.05%	—	—	—	—	NA	NA	—
Hsieh, Tien-Shang	4,159,228	0.79%	—	—	—	—	NA	NA	—
Shih, Yu-Lung	3,955,283	0.75%	—	—	—	—	NA	NA	—
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	3,455,902	0.65%	—	—	—	—	NA	NA	—

2.9 The Ownership of Same Investees Held by the Company, its Directors and Managerial Officers, and Entities which Directly or Indirectly Controlled by the Company, with the Aggregate Ownership

As of April 18, 2026; Unit: shares

Affiliated Companies (Note 1)	Ownership by the Company		Ownership by Directors, Managerial Officers, and Directly/ Indirectly Controlled Entities		Total Ownership	
	Shares	%	Shares	%	Shares	%
Ji-Mao Investment Co., Ltd.	10,000,000	100%	—	—	10,000,000	100%
YC INOX TR Çelik Sanayi ve Ticaret A.Ş.	8,380.000 (Note 2)	100%	—	—	8,380.000 (Note 2)	100%

Note 1: Equity method adopted.

Note 2: TRY 1,000 thousand per share, 8,380.000 shares in total.

III. Capital Overview

3.1 Capital and Shares

3.1.1 Sources of Capital

Year/Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount (NTD)	Number of Shares	Amount (NTD)	Source of Capital	Capital Increase by Assets Other than Cash	Others
2024.03	10	660,000,000	6,600,000,000	470,002,421	4,700,024,210	Corporate Bond Conversion 22,424,092	—	Note 1
2024.05	10	660,000,000	6,600,000,000	470,225,633	4,702,256,330	Corporate Bond Conversion 223,212	—	Note 2
2024.11	10	660,000,000	6,600,000,000	520,225,633	5,202,256,330	Capital Injection 50,000,000	—	Note 3
2025.06	10	660,000,000	6,600,000,000	523,500,487	5,235,004,870	Corporate Bond Conversion 3,274,854	—	Note 4
2025.08	10	880,000,000	8,800,000,000	523,500,487	5,235,004,870	—	—	Note 5
2025.09	10	880,000,000	8,800,000,000	523,547,879	5,235,478,790	Corporate Bond Conversion 47,392	—	Note 6
2025.12	10	880,000,000	8,800,000,000	523,552,854	5,235,528,540	Corporate Bond Conversion 4,975	—	Note 7
2026.02	10	880,000,000	8,800,000,000	528,995,589	5,289,955,890	Corporate Bond Conversion 5,442,735	—	Note 8

Note 1: Approved by the letter of Jing-Shou-Shang-Zi No. 11330048840 of the Ministry of Economic Affairs dated March 29, 2024.

Note 2: Approved by the letter of Jing-Shou-Shang-Zi No. 11330084080 of the Ministry of Economic Affairs dated May 29, 2024.

Note 3: Approved by the letter of Jing-Shou-Shang-Zi No. 11330205950 of the Ministry of Economic Affairs dated November 28, 2024.

Note 4: Approved by the letter of Jing-Shou-Shang-Zi No. 11430073350 of the Ministry of Economic Affairs dated June 4, 2025.

Note 5: Approved by the letter of Jing-Shou-Shang-Zi No. 11430093490 of the Ministry of Economic Affairs dated August 13, 2025.

Note 6: Approved by the letter of Jing-Shou-Shang-Zi No. 11430138690 of the Ministry of Economic Affairs dated September 22, 2025.

Note 7: Approved by the letter of Jing-Shou-Shang-Zi No. 11430188820 of the Ministry of Economic Affairs dated December 8, 2025.

Note 8: Approved by the letter of Jing-Shou-Shang-Zi No. 11530021680 of the Ministry of Economic Affairs dated February 25, 2026.

As of April 18, 2026; Unit: shares

Share Type	Authorized Capital			Remarks
	Issued Shares (public listed)	Unissued Shares	Total Shares	
Common Share	528,995,589	351,004,411	880,000,000	—

3.1.2 List of Major Shareholders

As of April 18, 2026

Shareholder's Name	Shareholding	
	Shares	Percentage
Tai Chyang Investment Co., Ltd.	71,019,088	13.43%
Chang, Chin-Peng	28,265,865	5.34%
Chang, Chin-Yu	22,417,503	4.24%
Chang, Shu-Ying	13,029,379	2.46%
Chang, Po-Kai	7,909,597	1.50%
Chin Ying Fa Mechanical Ind. Co., LTD.	7,600,000	1.44%
TransGlobe Life Insurance Inc.	5,563,788	1.05%
Hsieh, Tien-Shang	4,159,228	0.79%
Shih, Yu-Lung	3,955,283	0.75%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	3,455,902	0.65%

3.1.3 Dividend Policy and Implementation

A. Dividend Policy

If the Company has earnings in a given fiscal year, it shall first pay taxes in accordance with the law and offset any accumulated losses. Thereafter, 10% of the remaining earnings shall be allocated to the legal reserve. However, such reservation may no longer be made once the amount of accumulated legal reserve has reached the amount of the Company's paid-in capital of. The remaining earnings shall be allocated or reversed as special reserves in accordance with applicable laws. Any remaining earnings, together with undistributed retained earnings from previous years, may be included in a profit distribution plan proposed by the Board of Directors and submitted to the Shareholders' Meeting for resolution.

The Company's dividend policy takes into account its current and future development plans, investment environment, capital requirements, domestic and international competition, and the interests of shareholders. The Company may annually distribute more than 50% of retained earnings available as dividends. If the dividend per share is less than NT\$0.5, the distribution may be withheld for that year.

As the Company operates in a traditional industry and its operation has entered a mature and stable phase, dividends shall be preferentially distributed in cash. However, it may also be distributed by issuing new shares, provided that the cash portion shall not be less than 20% of the total dividends.

When distributing earnings, the Company may consider financial, business and operational factors to determine the distribution of part or all of the surplus in accordance with applicable laws or regulations.

B. Proposed Dividend Distribution for the current year

The proposed dividend distribution for 2025 has been approved by the 2nd meeting of the Board of Directors in 2026 and will be submitted to the Annual General Shareholders' Meeting for resolution. The proposal is to distribute a cash dividend of NT\$0.2 per share from retained earnings and a cash dividend of NT\$0.8 per share from capital surplus, for a tentative total of NT\$1.0 in cash per share. Should there be any subsequent change in the Company's share capital affecting the number of outstanding shares, the Chairman is authorized to adjust the total distribution amount while maintaining the same dividend payout rate per share.

3.1.4 Impact on Business Performance and EPS Due to Stock Dividend Distribution Proposed in the Current Shareholders' Meeting: Not applicable.

3.1.5 Employees' Profit Sharing and Directors' Compensation

A. Percentage or range of Employees' Profit Sharing and Directors' Compensation as stipulated in the Company's Articles of Incorporation:

If the Company has earnings for the given year, it shall reserve 2% to 6% of such profit as employee compensation. Within this amount, no less than 20% shall be allocated as compensation for frontline employees. Such compensation, which may be distributed in the form of shares or cash as resolved by the Board of Directors, may also be granted to employees of subsidiaries who meet certain specific criteria. The Board of Directors may also adopt a resolution to reserve up to 2% of profits as director compensation. Both the employees and director compensation distribution proposal shall be reported to the Shareholders' Meeting. However, if the Company has accumulated losses, such losses shall be covered first before allocating employee and director remuneration in accordance with the aforementioned percentages.

B. Basis for accrual of Employee and Director Compensation, Basis for calculating stock-based employee compensation, and accounting treatment in case of differences between actual and accrued amount:

The basis for the Company to accrue employee and director compensation is to multiply the income before income tax plus the employees and director compensation by the ratio stipulated in its Articles of Incorporation.

If the Board of Directors resolves to distribute employee compensation in the form of shares, the number of shares shall be calculated by dividing the closing market price on the day before the Board of Directors resolution into the distribution amount.

The estimated amount of employee and director compensation is recognized as an expense in the current year. If there is a material difference between the actual and the estimated amount resolved by the Board of Directors in the following year, such difference is accounted for as a change in accounting estimate and is reflected in the profit or loss of the subsequent year.

Relevant information on employee and director compensation is available on the MOPS platform of the TWSE.

C. The resolution of Board of Directors on the distribution of employees and director compensation:

1. Date of the resolution: March 11, 2026.

2. Type and amount of compensation: The Board of Directors has resolved to distribute NT\$4,690,018 in cash as employee compensation and NT\$0 as directors' remuneration for the 2025 fiscal year. The amount of remuneration for entry-level employees is NT\$3,088,000, representing 65.8% of the total distribution.

3. Amount of employee compensation distributed in shares and its percentage of total employee compensation and of net income after tax based on standalone or individual financial statements: Not applicable.

D. Actual distribution of employee and director compensation for the previous fiscal year (including the number of shares, amount, and share price), and the explanation of any differences between accrued and actual amounts, including the reasons and treatment:

Pursuant to the resolution of the shareholders' meeting in 2025, no employee or director compensation was allocated for the fiscal year 2024. There was no difference between the accrued and actual amounts.

3.1.6 Repurchase of Company Shares: Up to the date of this annual report, the Company did not repurchase any of its own shares during fiscal year 2025.

3.2 Issuance of Corporate Bonds

3.2.1 Issuance of Corporate Bonds

Type of Corporate Bond	The 4 th domestic unsecured convertible corporate bonds	
Date of Issuance	October 2, 2024	
Face Value per Bond	NT\$100,000	
Place of Issue and Trading	N/A	
Issue Price	At 100.5% of par value	
Total Amount Issued	NT\$2,010,000,000.	
Coupon Rate	0%	
Issuance Period	Five Years; Maturity Date: October 2, 2029	
Guarantor	N/A	
Trustee	Yuanta Commercial Bank Co., Ltd.	
Underwriter	SinoPac Securities Corporation	
Certifying Lawyer	Century International Law Office, Wang, Ya-Wen	
Independent Auditors	Deloitte & Touche, Tseng, Done-Yuin; Chiang, Shu-Chin	
Methods of Redemption	Except convert, sellback and redeem the convertible corporate bonds in accordance with the Rules, the Company shall make the redemption payment by cash at par value upon maturity.	
Outstanding Principal Balance	NT\$ 2,000,000,000 (As of April 18, 2026)	
Clauses of Redemption or Advance Repayment	Refer to the issuance and conversion rules for details.	
Restrictive Clause	None	
Name of Credit Rating Agency, Rating Date, Rating Result of Corporate Bonds	N/A	
Additional Rights	As of the Printing Date of this Annual Report, Amount of Converted (Exchanged or Subscribed) Ordinary Shares, GDRs or Other Securities Converted	NT\$ 0 (As of April 18, 2026)
	Issuance and Conversion (Exchanged or Subscribed) Method	Refer to the issuance and conversion rules for details.
Procedure for Issuance, Conversion, Exchange or Subscription, Its Effect on Equity Dilution and to Existing Shareholders' Equity		Prior to conversion, the bond has no dilutive effect on the Company's equity. As bondholders exercise conversion rights at different times depending on market conditions, this mitigates the dilution of earnings per share. While the issuance of convertible bonds may initially increase the Company's liabilities, subsequent conversion into common shares reduces liabilities and strengthens shareholder equity. Therefore, the long-term impact on existing shareholders' rights and interests is not considered significant.
Transfer Agent	None	

3.2.2 Information of Convertible Corporate Bonds

Unit: NT\$

Type of Corporate Bonds		The 4 th domestic unsecured convertible corporate bonds		
Item		Year		
		2024	2025	For the most recent year as of April 18, 2026
Market price of convertible bonds	Highest	111.25	120.00	111.95
	Lowest	101.80	100.00	102.50
	Average	107.39	108.21	104.23
Conversion Price		25.2 Effective Date: Nov 4, 2024	24.0 Effective Date: July 21, 2025	24.0
Date of issuance and conversion price at issuance		Date of issuance: October 2, 2024 Conversion price at issuance: NT\$25.6		
Conditions for conversion		New shares		

3.3 Issuance of Preferred Shares: None.

3.4 Issuance of Global Depositary Receipts: None.

3.5 Issuance of Employee Stock Warrants: None.

3.6 Issuance of New Restricted Employee Shares: None.

3.7 Issuance of New Shares for Merger or Acquisition of Other Companies: None.

3.8 Implementation of Capital Utilization Plan:

Please visit the MOPS at https://mopsov.twse.com.tw/mops/web/bfhtm_q2.

IV. Operational Overview

4.1 Business Activities

4.1.1 Business Scope

A. Main Business Scope of YC INOX

The Company's primary business is manufacturing and distribution of stainless steel products, which can be categorized as follows:

1. Stainless steel welded pipe;
2. Stainless steel welded tube;
3. Stainless steel sheet and plate;
4. Stainless steel flat bar, angle and U channel;
5. Stainless steel bending and slitting;
6. Distribution of seamless stainless steel pipe.

B. Revenue Breakdown:

Unit: NT\$ thousands

Main product \ Year	2025		2024	
	Sales Amount	%	Sales Amount	%
Stainless Steel Pipe/Tube	8,137,622	64.9	8,475,753	58.4
Stainless Steel Sheet/Coil	4,193,265	33.4	5,804,723	40.0
Other Stainless Steel Products and Other Operating Revenue	212,331	1.7	241,790	1.6
Total	12,543,218	100.0	14,522,266	100.0

C. New Products (Services) Planned for Development:

1. Bright annealed stainless steel tube
2. Inner and outer polished stainless steel tube

4.1.2 Industry Overview:

A. Current situation of the industry and its future development:

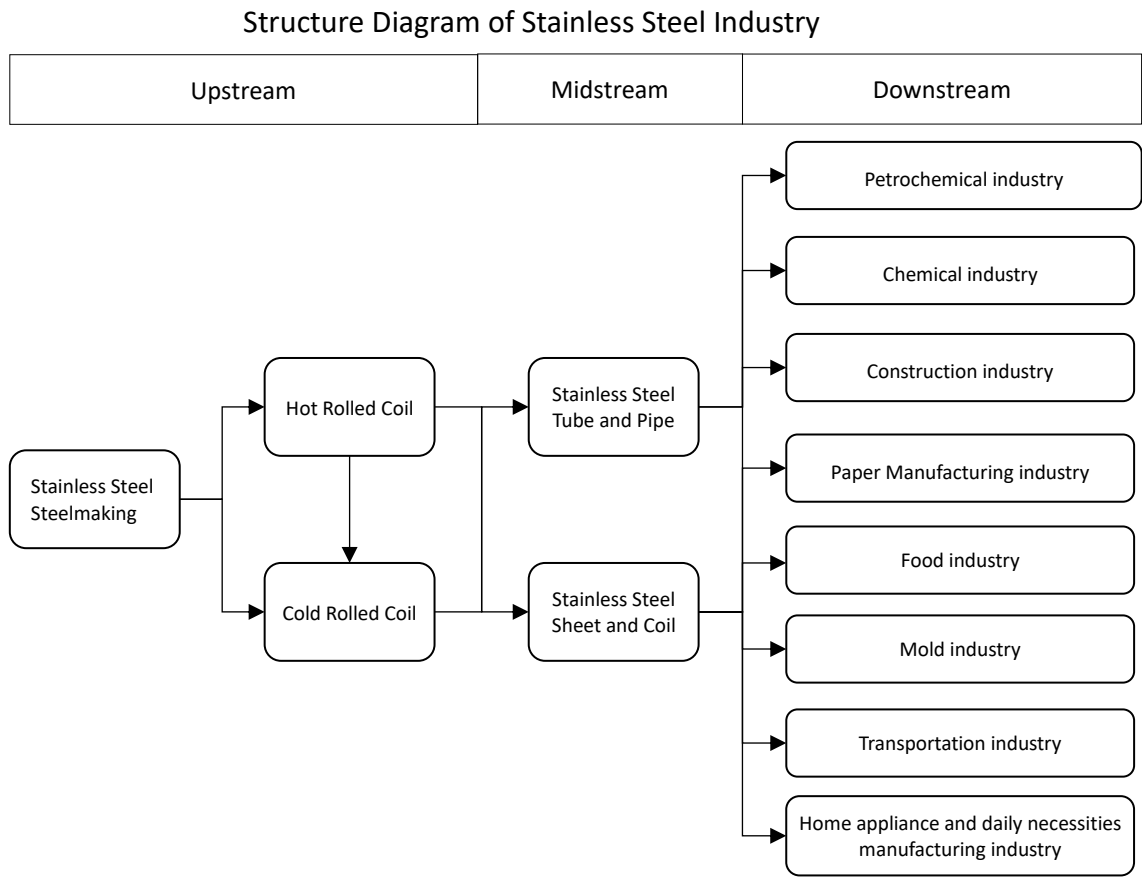
The Company is engaged in stainless steel pipe and tube, stainless steel angle, flat bar, U channel manufacturing and processing, and provides stainless steel coil(sheet) slitting and processing services. The Company belongs to the secondary stainless steel processing industry of the steel industry.

Stainless steel is a type of special steel known for its aesthetic appeal, corrosion resistance, and oxidation resistance. It is often preferred when industrial products require specific strength, corrosion resistance, and workability. Therefore, stainless steel is widely used in various fields ranging from everyday items to aerospace technology and nuclear power engineering. Its applications are extensive.

Although the demand for stainless steel products fluctuates with the overall global economy, its production should be relatively restrained due to limited nickel supply. While the industry may be affected by the challenges of significant increases in raw material nickel prices, the decline is expected to be moderate. Additionally, stainless steel possesses characteristics such as oxidation

resistance, corrosion resistance, and recyclability, which contribute to a growing trend of replacing carbon steel. Therefore, the stainless steel industry is expected to remain stable and show a positive trend in the future.

B. Relevance between the upstream, midstream, and downstream sectors in the industry:



The Company operates in the midstream sector of the stainless steel industry. The upstream sector engages in the production of raw steel, cold-rolled and hot-rolled steel coil. Our primary operations involve the welding and processing of cold-rolled and hot-rolled steel coil into steel pipe and tube, as well as services such as polishing, slitting, and shearing of stainless steel sheet and plate. Given the extensive range of applications for stainless steel products and its indispensability in various industries, our downstream sector encompasses industries such as petrochemicals, construction, food, and machinery.

C. Product development trends:

1. Potential to replace carbon steel and seamless stainless steel pipe and tube

The Company specializes in the manufacturing of welded stainless steel pipe and tube. We have developed and implemented Laser Beam Welding (LBW) technology, which ensures excellent welding techniques and high precision and reliability of our machinery. This allows us to maintain stable product quality, high efficiency, and low costs. Additionally, we fully conduct X-ray inspection of our welded joints, ensuring that the quality of our welded stainless steel pipe and tube is equivalent to seamless ones. While seamless stainless steel pipe and tube are still necessary for certain specific applications, welded stainless steel pipe and tube offer a price advantage over seamless ones in most cases.

2. To fulfill the diverse needs of customers

The Company has a complete and comprehensive stainless steel product line, as well as a well-established quality management system. In the future, we will focus on introducing AI (Artificial Intelligence) into our manufacturing processes, aiming to achieve greater automation and intelligence in our production line, warehousing, and logistics. This will enable us to meet customer demands for product quality, delivery time, pricing, and service.

D. Product competition:

The Company holds a leading position in the production and marketing of stainless steel pipe /tube, sheet/coil, and other stainless steel products. Our main competitors are located in Taiwan, China, Vietnam, India, and Europe. Due to our long-standing reputation and solid track record in the domestic market, coupled with continuous investments in hardware and software and the development of new products, we have a competitive advantage over our industry peers. We believe that the Company will continue to maintain a leading position in the stainless steel industry. In recent years, we have also attracted numerous skilled professionals to enhance production efficiency and product quality management. Additionally, we are planning to establish production bases overseas to serve our customers locally. With our strong presence in the domestic market, we are fully committed to expanding into international markets.

4.1.3 Research and Development:

The Company is deeply engaged in the stainless steel processing industry, consistently focusing on technological upgrades and innovative research and development. The core of our R&D strategy is centered on the implementation of high-efficiency automation equipment to enhance production efficiency, reduce reliance on manual labor, and strengthen process stability, while actively pursuing sustainable goals of energy conservation and carbon reduction. In response to the rapid evolution of the AI era, we have begun integrating intelligent systems into our production and monitoring processes, further optimizing operational workflows and enhancing our international competitiveness, thereby laying a solid foundation for sustainable corporate development.

A. R&D results:

We have achieved several concrete results in our R&D investments and practices. In addition to continuously optimizing the application of fiber laser technology in the manufacturing process of structural tubes, we have successfully expanded into the production of piping products. This technological integration not only significantly increases production speed and reduces working hours but also greatly lowers equipment maintenance costs, validating the correctness and foresight of our ongoing R&D improvement strategy.

While meeting diverse customer needs, we are also actively developing new products and enhancing the quality of existing ones. Below are the significant research and development achievements in process efficiency and energy conservation for the year 2025:

1. Improvement in Processing efficiency:

- (1) Automation of mirror-finish stainless steel plate production.
- (2) Enhancement of process quality for internal weld bead removal and bright annealing.
- (3) Automation of square tube production lines.
- (4) Optimization of laser welding parameters.
- (5) Automation of the pickling process.

2. Energy and Environmental Protection Technologies

- (1) Adoption of electric pallet trucks to replace traditional diesel forklifts, effectively reducing carbon emissions.
- (2) Installation of high-efficiency dust collectors to improve air quality in the workplace.
- (3) Automation of pickling to reduce wastewater treatment costs and enhance environmental sustainability.

3. The R&D Expenses in 2025 were around NT\$7.605 million, demonstrating the Company's commitment to enhancing technological innovation as it steadily progresses towards the goals of smart manufacturing and sustainable operations.

B. R&D plan:

In response to the challenges posed by declining birthrates and rising labor costs, the Company will continue to prioritize automation and intelligent upgrades to reduce labor workload and enhance process efficiency.

Concurrently, in line with ESG sustainability initiatives, we are actively integrating high-efficiency energy-saving equipment and continuously optimizing our energy management system to strengthen energy conservation and carbon reduction efforts.

We are committed to achieving zero emissions in our pickling process, moving from zero discharge of process wastewater to automated pickling, thereby progressively reducing pickling waste. Through concrete actions, the Company is dedicated to pollution reduction and environmental friendliness, fully demonstrating corporate social responsibility, striving for sustainable development and maximization of corporate value.

4.1.4 Long-term and Short-term Development:

The Company is firmly rooted in Taiwan while extending our business reach globally. With a foundation of excellent management and unwavering commitment to quality, we possess the most professional team. We are customer-oriented, continuously striving for excellence and improvement, and dedicated to providing the best products and services to our customers. We aim to establish deep friendships and a sense of trust with our customers, working together to create mutual value and a prosperous future.

A. Short-term development plan:

1. Strengthening process technology capabilities to enhance the competitiveness of production lines and increase the production of high-quality and high-value-added products.
2. Collaborating with process reengineering and implementing equipment upgrades to improve environmental sustainability, energy efficiency, and production efficiency.
3. Keeping abreast of market trends and adopting flexible business strategies and diversified product portfolios to enhance overall competitiveness.
4. Enhancing information security measures.
5. Initiating the operation of overseas production bases.
6. Continuously promoting sustainable development strategies and action plans, fulfilling corporate social responsibilities, and striving towards sustainable development goals.

B. Long-term development plan:

1. Establishing diversified businesses to achieve sustainable operations.
2. Expanding overseas production bases to sustain the Company's global competitiveness.
3. Fully integrating AI technology for increased automation and intelligence in production lines, as well as intelligent management of warehouses and logistics.
4. Enhancing talent development, technology transfer, and experience sharing to achieve long-term prosperity.

4.2 Market and Production/Sales Overview

4.2.1 Market Analysis

A. Main sales regions breakdown:

Unit: NT\$ thousands

Region \ Year		2023		2024		2025	
		Amount	%	Amount	%	Amount	%
Domestic		2,909,882	19.1	2,542,093	17.5	2,340,590	18.6
Exports	Asia	1,490,988	9.8	1,148,272	7.9	1,102,482	8.8
	Americas	4,241,160	27.8	2,993,605	20.6	2,605,065	20.8
	Europe*	3,958,704	26.0	5,174,954	35.7	4,445,267	35.4
	Oceania	1,868,788	12.3	1,862,622	12.8	1,577,310	12.6
	Africa	762,655	5.0	800,720	5.5	472,504	3.8
Total		15,232,177	100.0	14,522,266	100.0	12,543,218	100

*The European region includes domestic sales revenue from the Turkish subsidiary.

B. Market share:

Based on the 2025 statistics compiled by the Taiwan Steel & Iron Industries Association, the total sales of welded stainless steel pipe/tube and stainless steel sheet/coil (including cold-rolled 300 series, 400 series and hot-rolled 300 series) of Taiwan, and the Company's sales in the past three years, are listed as follows:

Unit: Metric Ton

Items \ Quantity \ Year			2023		2024		2025	
			Weight	Growth Rate (%)	Weight	Growth Rate (%)	Weight	Growth Rate (%)
Stainless Steel pipe/tube - Domestic	Total Sales Volume of TW		98,178	(18.6)	91,722	(6.6)	94,254	2.8
	YC INOX	Sales Volume	20,294	(18.9)	20,888	2.9	20,900	0.1
		%	20.7		22.8		22.2	
Stainless Steel pipe/tube - Export	Total Sales Volume of TW		104,245	(2.1)	110,530	6.0	113,381	2.6
	YC INOX	Sales Volume	53,754	14.9	52,639	(2.1)	50,316	(4.4)
		%	51.6		47.6		44.4	

Unit: Metric Ton

Year \ Items \ Quantity			2023		2024		2025	
			Weight	Growth Rate (%)	Weight	Growth Rate (%)	Weight	Growth Rate (%)
Stainless Steel Plate and sheet/coil - Domestic	Total Sales Volume of TW		764,247	(1.8)	910,201	19.1	843,032	(7.4)
	YC INOX	Sales Volume	17,417	3.6	14,757	(15.3)	12,171	(17.5)
		%	2.3		1.6		1.4	
Stainless Steel Plate and sheet/coil - Export	Total Sales Volume of TW		679,114	(21.4)	824,620	21.4	694,709	(15.8)
	YC INOX	Sales Volume	41,238	(5.4)	43,316	5.0	28,883	(33.3)
		%	6.1		5.3		4.2	

Note: The market share analysis is only focused on the sales region of our Taiwan mills.

C. Future market supply and demand and growth potential:

Due to the corrosion resistance, high temperature resistance, and recyclable nature of stainless steel products, they are widely favored by users. With the increasing affordability of stainless steel materials, these products are extensively used in various industries. The Company will continue to prioritize excellent quality, aligning with economies of scale in production and sales to reduce production costs. Leveraging our advantages in long-standing production techniques and research and development achievements, we will create high-value-added products to differentiate ourselves in the market and maximize profits.

D. Competitive niche:

1. Extensive industry experiences

The Company is a professional manufacturer of stainless steel pipe/tube and sheet/coil. Our management team has extensive experience in the industry and possesses a high level of familiarity and expertise in the stainless steel sector, they are capable of leading the Company in navigating industry and market fluctuations and formulating effective competitive strategies.

2. Excellent process technology and product quality

The Company has matured production technology and continuously strives for innovation. We place great emphasis on enhancing the technical skills of our employees. We have obtained numerous international certifications for quality, technology, and environmental safety. Our products are widely selected and used by major domestic and international enterprises, which serves as a testament to the excellent quality of our products and the trust they have gained from users.

3. Consistent production and Institutionalized inspection mechanism

The Company continuously invests in advanced machinery and equipment to meet the growing demand for stainless steel pipe and tube both domestically and internationally. We also focus on streamlining our production line processes to enhance capacity and production efficiency. Currently, we possess the most comprehensive and sophisticated production equipment among our peers. To ensure consistent product quality and compliance with customer requirements in terms of composition and specifications, we have also procured numerous quality inspection instruments as a guarantee for our products.

4. Diversified marketing channels and raw materials sources

The Company has established a stable leadership position in the domestic market after more than 50 years of dedicated efforts. We are actively moving towards internationalization. On one hand, we diversify our sources of raw material procurement. On the other hand, we have obtained various international quality certifications, allowing us to expand our customer base to include well-known international clients. These strategies are aimed at mitigating business risks and ensuring a more diversified operation.

E. Favorable and unfavorable factors to long-term developments and countermeasures:

1. Favorable factors

- (1) Possessed the most extensive expertise and experience in the industry, we offer a comprehensive range of product specifications, and our sales channels are well-established and efficient.
- (2) We have a proven track record and reputation in managing large-scale projects.
- (3) We continuously upgrade our production equipment, implement process improvements, and streamline our production lines. These efforts enhance production efficiency, reduce labor workload, and lower manufacturing costs, resulting in more competitive products.

- (4) The significant increase in production capacity among various stainless steel mills upstream ensures a stable and ample supply of materials in the future, leading to cost reductions.
- (5) We offer a diverse product portfolio that caters to the varied needs of our customers, allowing them to fulfill all their requirements in a single purchase.

2. Unfavorable factors

- (1) The fluctuation in raw material prices has widened, making it more challenging to manage inventory effectively.
- (2) There is a rising awareness among laborers, leading to a shortage of available workforce and an increase in labor costs.
- (3) Intense competition among small and medium-sized domestic manufacturers has given customers more room for negotiation, impacting our product pricing and reducing the expected profit margin.
- (4) Sharp fluctuations in exchange rates make it difficult to determine pricing for export sales.

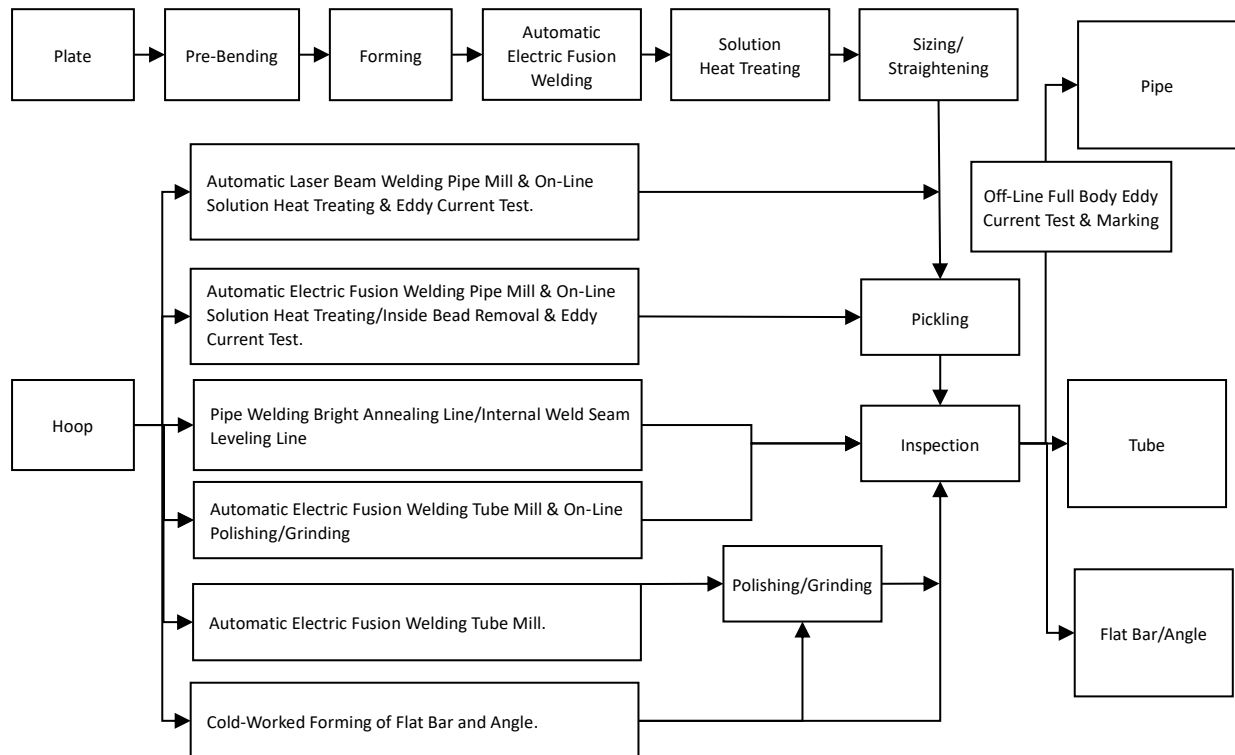
3. Countermeasures

- (1) Continuously collect information on domestic and international supply and demand of raw materials, staying updated on the latest market trends. This will enhance the ability to make informed decisions during raw material procurement. Additionally, monitor exchange rate trends to mitigate currency risks.
- (2) Improve the quality of working environments and implement employee welfare policies to attract talented individuals to join the Company.
- (3) Address labor shortages by hiring foreign contract workers.
- (4) Maintain product quality and establish a strong reputation. Implement measures such as strategic alliances, promoting production automation, and optimizing management practices to consistently reduce costs and enhance competitive advantages.

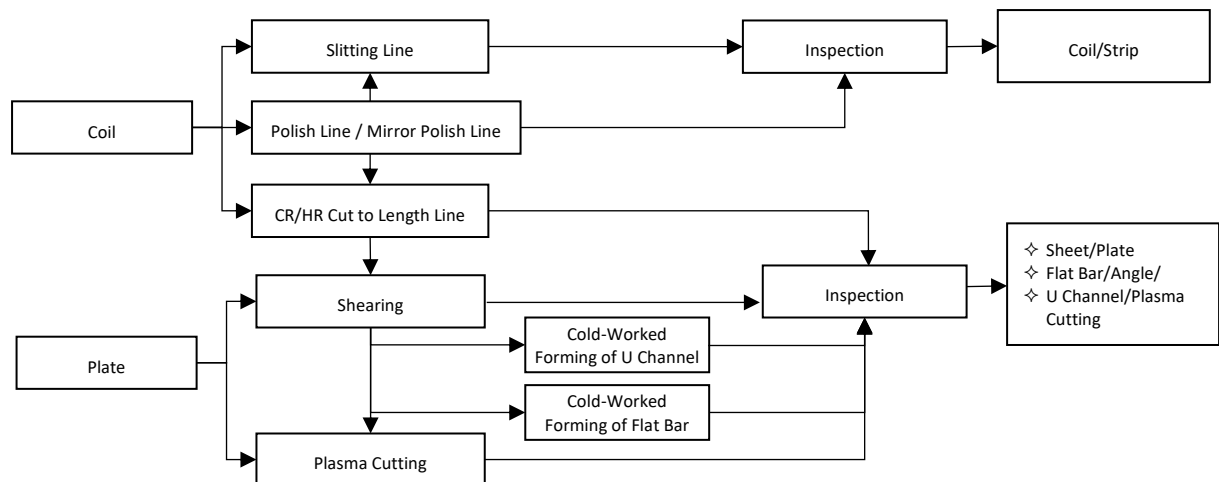
4.2.2 Important Applications and Production Process of Main Products:

Main Product	Applications
Stainless steel pipe and tube	Used in industries such as chemical, construction, food, machinery, environmental engineering, fire engineering, telecommunications engineering, and more, for various applications such as corrosion resistance, high temperature resistance, and pressure resistance. They are also used for aesthetic purposes such as handrails, guardrails, security doors and windows, display racks, and more.
Stainless steel sheet and coil	
Stainless steel flat bar, angle, and U channel, and other stainless steel products	

A. Production process of stainless steel pipe and tube:



B. Production process of stainless steel coil, strips, sheet and plate:



4.2.3 Supply of Major Raw Materials

The main raw materials for the Company's products are cold-rolled and hot-rolled stainless steel coil (sheet). Due to the characteristics of the stainless steel industry, a majority of the hot-rolled raw materials and special specifications are currently imported from foreign countries. For other categories, we purchase from domestic manufacturers such as Yieh United Steel Corp. and Walsin Lihwa Corporation. These companies are specialized manufacturers of stainless steel coil in Taiwan, known for their excellent product quality, reasonable prices, and reliable delivery. They are long-term cooperative partners, ensuring a stable supply source with no shortage concerns.

4.2.4 Major Suppliers and Customers in the Most Recent Two Years:

A. Major suppliers in the most recent two years:

Rank	2024				2025				2026 (As of March 31)			
	Name	Amount	Percentage of net purchase	Relationship with the Company	Name	Amount	Percentage of net purchase	Relationship with the Company	Name	Amount	Percentage of net purchase	Relationship with the Company
1	B Company	5,780,493	46.43%	5	B Company	5,965,745	59.59%	5	B Company	1,375,046	51.98%	5
2	A Company	2,377,935	19.10%	5	F Company	1,214,666	12.13%	5	E Company	549,822	20.79%	5
3	E Company	1,521,950	12.22%	5	A Company	806,244	8.05%	5	A Company	312,465	11.81%	5
	Other	2,770,857	22.25%		Other	2,025,486	20.23%		Other	407,879	15.42%	
	Net purchase	12,451,235	100.00%		Net purchase	10,012,141	100.00%		Net purchase	2,645,212	100.00%	

Note 1: List the name of suppliers whose purchase amounts account for more than 10% of the total purchases in the most recent two years, along with purchase amounts and percentages. In case stipulated in the contract that the name of the supplier shall not be disclosed, or the transaction counterparty is an individual and not a related party, it may be disclosed with a code instead.

Note 2: 1. Subsidiary 2. Other investee companies accounted for using equity method 3. Other substantial related party 4. Major shareholder holding more than 10% shares 5. None

B. Major customers in the most recent two years:

There was no customer who contributed 10% or more of the Company net revenue in the most recent two years.

4.3 Number of Employees, Their Average Years of Service (years), Average of Age, and Their Distribution of Academic Qualifications in the Most Recent 2 Years up to the Publication Date of this Annual Report:

Year		2024	2025	2026 (As of March 31)
Number of Employees	Direct Personnel	711	679	670
	Indirect Personnel	284	230	220
	Total	995	909	890
Average of Employees' Age		37.5	38.3	38.2
Average Years of Service (years)		8.2	8.4	8.3
Distribution of Academic Qualifications	Master's Degree or Above	3.52%	3.30%	3.37%
	College	41.41%	42.46%	43.37%
	High School	49.04%	47.86%	47.19%
	Below High School	6.03%	6.38%	6.07%

4.4 Information of Environmental Protection Expenditure

4.4.1 Disclose the amounts of loss from environmental pollution (including the violation of the environmental protection related laws by the inspection results, the date of punishment, the reference number of the punishment, the regulations it violates, the reason of the violation, and the content of the punishment should be listed) in the most recent year up to the publication date of this annual report, as well as the estimated amount and corresponding measures that may occur at present and in the future. If a reasonable estimate cannot be determined, the fact of the inability to provide a reasonable estimate shall be explained:

Year \ Item	2025	2026 (As of March 31)
Contamination (type, degree)	Failure to process the modification of the waste management plan in accordance with regulations.	None
Competent Authority	Environmental Protection Bureau Changhua County	
Punishments	Punishment Date: March 25, 2025 Punishment Reference Number: Chang-huan-fei-zi No. 1140016822 Violated Article: Article 31, Paragraph 1, Clause 1 of the Waste Disposal Act Punishment Content: Imposition of a fine of NT\$6,000.	
Other losses	None	
Improvements and future countermeasures	Modify the waste management plan	

4.4.2 Future countermeasures and contingent expenditures:

The Company will continue to strengthen employee educations and training to ensure that the requirements of environmental protection related laws will be met when the Company produces various pollutions (such as exhaust gas, wastewater and other wastes), and will regularly review and update the contents of permissions to continuously meet the requirements of environmental protection laws and regulations.

4.5 Labor Relations

4.5.1 Explain the measure of employee welfare, education, training, retirement system and its implementation, as well as bargains between labor and company and various measures to protect employees' rights and interests.

A. Welfare measures and its implementation

1. The Company's Employee Welfare Committee is responsible for coordinating various welfare measures, including subsidies for marriage, funeral, and joyful events, hospital visits for illness or injury, family day activities, children's scholarships, festival bonuses, and birthday celebrations.
2. All employees participate in labor insurance and national health insurance.
3. Regular health checks for employees and improvement of the working environment.
4. Regular employee education and training programs, with opportunities for overseas internships.
5. Accident insurance is provided for all employees to ensure their full dedication to work.
6. The Company has established an operational bonus distribution management policy to share the business results with all employees and enhance unity and motivation.

B. Education, training and its implementation

1. The Company firmly believes that employees are its greatest asset. Only with excellent employees can the Company make higher profits. Therefore, employee development has been one of the primary operational objectives of the Company throughout the years, with a strong emphasis on education and training. Each year, the Company plans different training programs based on the tasks and job requirements of each department. Annual education and training plan will be scheduled, which includes both in-house and external training. Representatives from each department participate in these training programs to strengthen talent development.
2. The Company has stipulated the "Employees' education and training policy", which can be divided into new recruits' general knowledge training, basic job training, on-the-job training and annual education and training to effectively implement education and training. The implementation procedures have been standardized and implemented in accordance with ISO9001 to ensure the quality of training.
3. Education and training status of Directors, internal auditors, Chief Accounting Officer and financial statements preparation personnel in 2025:

Personnel	Course Type	Hours Trained
Directors and Independent Directors	Practical Courses	60
Chief Corporate Governance Officer	Professional Courses	12
Internal Auditors	Professional Courses	44
Chief Accounting Officer and Financial Statements Preparation Personnel	Professional Courses	36

The Company's personnel related to financial information transparency, their certification (designated by the competent authority) obtaining status are as follows:

- (1) Number of Person(s) Obtaining the Certified Internal Auditor (issue by the Institute of Internal Auditors-Chinese Taiwan): 1 in Internal Audit Office.
- (2) Number of Person(s) Obtaining the Certification in Risk Management Assurance (issue by the Institute of Internal Auditors-Chinese Taiwan): 1 in Internal Audit Office.
- (3) Number of Person(s) Obtaining the Certified Public Accountant in Taiwan: 2 in Accounting

Division.

(4) Number of Person(s) Obtaining the American Institute of Certified Public Accountants: 1 in General Manager Office.

4. Employee education and training status in 2025: The total course training hours exceeded 10,995 hours, and more than 5,249 participants attended those courses. The total training cost reached NT\$0.93 million. The content of these training courses covers management, professional techniques, quality management, environmental safety and health, new employee orientation, managements' training, general knowledge education and training, etc.

C. In order to regulate employees' compliance with ethics, to inherit the Company's high-quality culture and enhance corporate image, and to ensure the Company's sustainable operation and development, the Company has stipulated the "Codes of Ethical Conduct for Employees" to regulate employees' behavior and ethics, which includes matters such as moral and ethical regulations, prevention of conflicts of interest, gifts and hospitality, maintenance of the accuracy of information, protection of intellectual property rights, reporting, protection, and exemption, among other matters.

D. Internal material information and procedures for prohibition of insider trading regulations:

The Company has established the "Procedures for Handling Material Inside Information", "Procedures for prohibition of insider trading regulations", and "Procedures for management of insider's shareholding transaction". All employees, managerial officers, and directors involved in handling material nonpublic information are required to sign a confidentiality agreement. Additionally, every year the Company distributes the "Handbook for Listed Companies' Insider Equity Trading" issued by the Taiwan Stock Exchange to its Insiders.

E. Energy, environmental and occupational safety and health management system:

1. Environmental safety, health and energy policy:

The Company is rooted in Taiwan and has expanded its business across five continents. We operate with a global perspective to determine our operational direction. We are customer-service oriented and strive to build strong trust with our customers, believing that this will lead to new opportunities. YC INOX will work towards the goal of reducing the energy, environmental, and occupational safety and health impacts caused by our processes, facilities, and activities.

(1) Regulatory Compliance: Comply with energy, environment, and occupational health and safety-related laws and regulations as well as other requirements.

(2) Raising Awareness: Enrich technical knowledge, communicate it to workers, make them aware of their personal responsibilities, and facilitate their participation in and implementation of management systems.

(3) Consultation and Communication: Strengthen worker interactions, establish consultation participation and communication channels, and give appropriate responses.

(4) Risk Control: Adopt appropriate risk control technologies to eliminate hazard risks caused by pollutants and hazard factors, and control related losses to protect worker health and safety.

(5) Sustained Performance: Through pollution, injury, and disease prevention, elevate energy performance, set goals and action plans, and continuously improve management performance.

(6) Friendly Environment: Strengthen workplace environment improvements and employee health management, and provide safe and healthy working conditions to prevent work-related injuries and health hazards.

(7) Energy-Saving and Carbon Reduction: Support the use of energy-saving products, designs, and services to elevate energy usage efficiency and lower greenhouse gas emissions.

2. Work environment description and personal safety protection measures for employees:

- (1) The Company deeply understands that employees are the most important asset in the development of the enterprise, and that environmental protection is a social responsibility of the Company. We also believe that disasters can be prevented. We continuously strive to prevent occupational accidents and reduce environmental pollution through the implementation and operation of ISO 14001 and ISO 45001 management systems. We are committed to continuous improvement to meet the requirements of relevant regulations and to achieve the ultimate goal of "zero accidents, zero pollution."
- (2) The Company conducts assessment on significant environmental and occupational health and safety risks through the implementation of the Environmental and Occupational Health and Safety Management System. We use the 82-rule method to identify low, medium, and high-risk items, and establish short, medium, and long-term improvement goals and plans. We have achieved significant results and control in our efforts.

3. Energy saving and carbon reduction:

- (1) In response to the international trade situation and government initiatives on achieving zero carbon emissions, the Company has successfully obtained ISO 50001 certification for energy management system and implemented ISO 14064-1:2018 greenhouse gas inventory system. By completing scope one to scope three inventories and third-party verification since 2022, we have identified major energy-consuming equipment and developed annual energy policies and target management plans to continuously implement energy-saving improvement plans and reduce carbon emissions.
- (2) Actively promoting the solar power generation systems as follows:
 - a. Solar capacity expanded from 5,511.72 kWp in 2022 to 11,638.385 kWp in 2025.
 - b. Solar power generation increased from 7.25 million kWh in 2022 to 13.93 million kWh by 2025, reducing CO₂e emissions by approximately 6,604 metric tons.

F. Follow-up environmental and safety and health promotion activities

1. Occupational safety and health management plan:

The Company has established a safety and health management plan to effectively implement occupational safety and achieve the goal of zero accidents. Each department executes the plan according to the designated guidelines. Through the operation of the ISO 45001 management system, the Company conducts safety and health committee labor-management meetings every three months and annual management review meetings to timely review and revise the plan as necessary. By doing so, the Company progressively reduces its risk of hazards year by year.

2. Environmental monitoring on the workplace:

The Company aims to effectively monitor the environmental conditions of employees in the workplace. Based on the operational environment at each worksite, various environmental measurements are planned, and a sampling strategy is developed. Similar exposure groups are identified, and sampling is conducted targeting the individuals with the highest potential exposure. The monitoring items are as follows: Noise, organic solvents (toluene, xylene), inhalable dust, total dust, hydrofluoric acid, nitric acid... etc.

3. Automatic inspection measures:

To prevent occupational accidents resulting from mechanical failures during equipment operation and ensure the safety of workers, the Company has established regulations for personnel using machinery. Operators are required to perform pre-operation checks, regular inspections, and comprehensive inspections that vary based on different inspection scopes to ensure the safety of machinery operations. These measures are implemented to minimize the

risk of accidents and promote a safe working environment.

Those inspection items are: high-pressure gas equipment, dangerous machinery (such as crane), local exhaust devices, high and low voltage electrical equipment, stackers, shears, vehicles... etc.

4. Health dissemination:

- (1) In order to effectively monitor the employees' physical health and understand the impact of workplace materials and chemicals on the human body, the Company implements health checks with a frequency exceeding legal requirements. It also collaborates with major hospitals to organize health seminars and discussions. Information related to safety, health care, occupational hazards, and other relevant topics is disseminated through pamphlets displayed on bulletin boards, serving as educational materials for promotion and internal training.
- (2) Qualified healthcare personnel are hired to manage employee health, prevent occupational diseases, and promote overall well-being. They are responsible for implementing measures to protect the health of workers, including health assessments, occupational disease prevention, and health promotion activities.

G. Social responsibility

1. Environment protection:

- (1) Based on the social responsibility of environmental protection, the Company has obtained the ISO14001 environmental management system certification, and materializes the social responsibility of environmental protection through the system.
- (2) In order to reduce waste, the Company recycles resource-type wastes (such as waste paper, scrap iron... etc.) through the way of recycled by recyclers, to reduce the generation of wastes.

2. Charitable donations:

The Company, based on its commitment to caring for vulnerable groups, grassroots education development, and government-organized events, donates to organizations such as the Taiwan Fund for Children and Families - Changhua, schools in various factory areas, and multiple charitable institutions each year. It strives to support and assist vulnerable communities and actively participates in government initiatives and activities.

H. Pension plan and its implementation:

The Company has established a Labor Pension Fund Supervision Committee, which is responsible for reviewing the contribution, accumulation and disbursement of pension funds, and stipulated policies for employee retirement management in accordance with the Labor Standards Act and Labor Pension Act. The Company believes that a sound financial system will ensure employees' contribution to and future receipts of pension funds. In addition, our foreign subsidiary also contributes pension funds in accordance with local laws and regulations.

I. Various employee rights protection measures:

Although the Company does not have a labor union, we hold labor-management meeting every quarter and emphasize labor-management harmony. Under the principle of valuing the opinions of employees, the Company not only stipulates working rules in accordance with applicable laws and regulations to reasonably standardize employee services, salary, working hours, personal leaves, retirement, pensions, etc., but also implements safety, health, education and training and other measures for employees. In the meantime, we value the opinions of employees, through communication and coordination with them, we earn their trust and support. So far, no material labor disputes have occurred or caused losses, which means the labor-management relationship is harmonious.

4.5.2 Losses caused by labor disputes in the most recent year and up to the publication date of this annual report (including the violation of the Labor Standards Act by the labor inspection results, the date of punishment, the serial number of the punishment, the regulations it violates, the reason of the violation, and the content of the punishment should be listed), as well as the estimated amount and corresponding measures that may occur at present and in the future. If a reasonable estimate cannot be made, the reasons for the unreasonable estimate shall be explained:

Year Item	2025				As of March 31, 2026
Penalty Date	May 15, 2025	July 28, 2025	November 3, 2025	December 24, 2025	January 30, 2026
Penalty Letter No.	FU-LAO-DONG-ZI No. 1140187327	FU-LAO-DONG-ZI No. 1140293303	FU-LAO-DONG-ZI No. 1140429958	2025, FU-LAO-DONG-YI-ZI No. 1143432303	FU-LAO-DONG-ZI No. 1150036699
Regulations Violated	Article 32, Item 2 of the Labor Standards Act	Article 32, Item 2 of the Labor Standards Act	Article 24, Item 1 and Article 38, Item 2 of the Labor Standards Act	Article 32, Item 2 of the Labor Standards Act	Article 24, Item 2 of the Labor Standards Act
Content of Regulations Violated	Extending working hours beyond statutory limits.	Extending working hours beyond statutory limits.	Failure to provide statutory overtime pay for regular workdays. Annual leave was not scheduled by the employees as required by law.	The employer extended working hours beyond the statutory limits.	Failure to provide statutory overtime pay for work performed on rest days.
Content of Punishment	Fine of NT\$190,000	Fine of NT\$290,000	Fine of NT\$70,000	Fine of NT\$100,000	Fine of NT\$50,000

Countermeasures and Potential Expenditures:

1. Implement flexible personnel dispatch across different plants based on individual staffing requirements to optimize manpower utilization.
2. Mandate that all meetings be held during regular working hours and revise the Employee Leave Policy.

4.6 Information Communication Safety Management:

4.6.1 Explain the information security risk management framework, the information security policy, the specific management plan and the resources put in the information security management.

A. Information Security Risk Management Framework

The IT Office is the responsible unit for information security, tasked with planning, implementing, and promoting information security management matters. The Company has established an "Information Security Manual" that governs the implementation of information security. Through regular education and training, employees are familiarized with the Company's information security policies, standards, and procedures, enhancing their security awareness and reducing the risk of information security incidents. This promotes employee behavior that aligns with information security policies and requirements. Additionally, external auditors are periodically dispatched to inspect the Company's information systems.

The highest-ranking executive in the IT office is the Chief Information Security Officer, who periodically reports the status of information security implementation to the Chairman and provides annual reports on information security achievements to the Board of Directors. There is also a dedicated information security officer responsible for planning and executing information security initiatives. The Company reports its information security management and implementation achievements to the Board of Directors annually, for this year, it was reported during the 18th session of the 11th board meeting on December 26, 2025.

B. Information and Communication Security Policy

To ensure the effective operation and execution of various information assets, secure information transmission and transactions, mitigate the damages caused by information security incidents, and safeguard the confidentiality, integrity, and availability of computer-processed data, the Company has established an information security management mechanism in compliance with the information and communication security management act and its subsidiary laws.

- (1) Policy and Regulations: The Company follows relevant government regulations and has established an information security management system that governs the information security behavior of all personnel.
- (2) Technological Measures: The Company has implemented information security management equipment and measures to enforce information security management.
- (3) Personnel Training: Regular information security education and practical training courses are provided to new employees, and periodic social engineering exercises and information security awareness campaigns are conducted to enhance the information security awareness of the Company's employees.
- (4) Risk Controls: Appropriate information security risk management frameworks and systems are implemented to ensure the confidentiality, integrity, and availability of information assets.
- (5) Incident Reporting: An information security incident reporting and response mechanism is established to ensure proper response, control, and handling of security incidents.
- (6) Management review: regular information security audits are conducted to assess the feasibility and effectiveness of the information security management system, in order to maintain operational capabilities and provide appropriate services.

C. Information Security Management System Certification

In May 2025, the Company obtained the international standard ISO/IEC 27001:2022 certificate for our information security management system. According to this standard, we implement the "Plan-Do-Check-Act" (PDCA) cycle. We conduct at least one internal self-assessment and one external audit by an impartial third-party organization each year to ensure the effective implementation of the ISO 27001 management mechanisms. Additionally, we undergo a recertification process every three years to maintain the validity of the ISO 27001 certification.

D. Information Security Management Mechanism

1. Network Security

- (1) Implement next-generation firewalls to ensure robust firewall security controls.
- (2) Segment network zones to prevent virus spread within the internal network.
- (3) Deploy SOC (Security Operation Center) for real-time monitoring services.

2. Data Security

- (1) Implement internal and external access control measures.
- (2) Control access to sensitive data.
- (3) Regulate the use of external storage devices.

3. Device Security

- (1) Implement next-generation endpoint protection to continuously monitor for malicious software and behaviors.
- (2) Establish next-generation email analysis gateways.
- (3) Restrict remote access behaviors of personnel.
- (4) Implement two-factor authentication for privileged accounts.

4. Education and Training

- (1) Conduct education and training sessions along with awareness campaigns.
- (2) Perform periodic social engineering drills.

5. Operation maintenance

- (1) Monitor and report on the availability status of systems and networks.
- (2) Implement contingency measures for service disruptions.
- (3) Implement data backup and redundancy measures, including on-site and off-site backup mechanisms.
- (4) Conduct regular incident recovery drills

E. Allocation of Resources in Information Security Management

In 2025, the Company allocated resources for information security management as follows:

1. Certification

- (1) Obtained ISO/IEC 27001:2022 Information Security Management System (ISMS) certification in May 2025.

2. Strengthening Information Security Protection

- (1) Monitoring & Response: Implemented Security Operations Center (SOC) and Endpoint Detection and Response (EDR) solutions, collaborating with external cybersecurity experts for 24/7 threat monitoring.
- (2) Email Security: Protects the Company's email systems against threats such as spam, viruses, ransomware, and phishing attacks.
- (3) AI Threat Detection: Monitors network traffic through AI and extends regulatory oversight to the Turkish subsidiary.
- (4) Two-Factor Authentication Mechanism: Implemented for server hosts, key user computers, and VPNs, requiring mobile-based dual authentication for login.

(5) Host Cloaking: Obfuscates host identities to hinder attackers' target identification and increase the cost of an attack. Combined with Endpoint Protection and Threat Detection, it establishes a robust multi-layered defense.

3. Critical System Vulnerability Scanning

Conducted bi-annual outsourced vulnerability scans for both Taiwan and Turkish subsidiaries this year: initial scanning and follow-up scanning. Based on the results of these scans, documented vulnerabilities were recorded, and relevant recommendations and scan reports were submitted as references for vulnerability remediation.

4. Enhancing Employee Security Awareness

In 2025, three social engineering drills were conducted, each targeting 200 to 300 active user accounts, with a total of 713 participants. Additionally, two rounds of online information security training and assessments were completed by 460 participants, aiming to strengthen employees' cybersecurity awareness.

5. Disaster Recovery Drills

Conducted disaster recovery drills and tested data restoration for ERP core systems and databases over the past 4 years, all of which met the Company's set goals. Detailed statistical data is provided in the table below.

Strategy	Goal	2022 Results	2023 Results	2024 Results	2025 Results
Conduct annual disaster recovery simulations for critical application systems to ensure continuous operation and guarantee uninterrupted business operations.	Critical application systems RTO ≤ 8 hours Critical application systems RPO ≤ 24 hours	RTO = 8 hours RPO = 8 hours	RTO = 2 hours RPO = 8 hours	RTO = 2 hours RPO = 8 hours	RTO = 2 hours RPO = 8 hours

RPO (Recovery Point Objective): The maximum tolerable period in which data might be lost due to a disaster incident.

RTO (Recovery Time Objective): The maximum acceptable length of time that a computer, system, network, or application can be down after a failure or disaster occurs.

6. Patch Updates

(1) Replaced outdated computers and updated operating systems.

(2) Virtualized server hosts and fully upgraded operating systems.

(3) Implemented real-time updates for vulnerabilities and software on hosts and computers.

4.6.2 Explain the losses, possible impacts and countermeasures of major information security incidents in the most recent year and up to the publication date of the annual report; if it cannot be reasonably estimated, the reasons for the inability to be reasonably estimated should be explained:

In 2025 and up to the publication date of the annual report, the Company has not suffered any major information and communication security incidents, and there is no related loss or impact.

4.7 Important Contracts

A. YC INOX Co., Ltd.

As of April 18, 2026

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Conditions	Restrictions
Long-term unsecured borrowings	Hua Nan Commercial Bank	2023.07.06~2027.12.03	Facility amount: NT\$ 600 million	None
	The Export-Import Bank of the Republic of China	2021.09.24~2030.04.28	Facility amount: NT\$ 1,700 million	None
	Bank of Taiwan	2024.11.07~2028.09.17	Facility amount: NT\$ 800 million	None
	E. Sun Bank.	2025.06.16~2028.06.16	Facility amount: NT\$ 500 million	None
	Chang Hwa Bank	2025.05.28~2029.04.13	Facility amount: NT\$ 300 million	None
	Taiwan Cooperative Bank	2024.03.18~2029.03.18	Facility amount: NT\$ 200 million	None

B. YC INOX TR Çelik Sanayi ve Ticaret A.Ş.

As of April 18, 2026

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Conditions	Restrictions
Construction	INTAYA INTES INSAAT TAAHHUT YATIRIM TICARET ANONIM SİRKETİ	The engineering contract entered into effect on December 19, 2022. The warranty period will be in effect for 5 years starting from the completion and acceptance of the entire project. After the 5-year period expires, the warranty will no longer be valid.	Construction of mills	None
Procurement	EKSAS ENDUSTRIYEL METAL KAPLAMA TESİSLERİ SANAYİ VE TICARET ANONİM SİRKETİ	From December 26, 2022, to the completion and acceptance of the entire project, the warranty expires in 5 years	Pickling and wastewater treatment equipment	None

4.8 Other Important Matters: None.

V. Analysis of Financial Status and Financial Performance and Risk Management

5.1 Financial Status

5.1.1 Comparative Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Current Assets	9,325,225	9,727,799	(402,574)	(4.14)
Property, plant and equipment	10,320,841	9,027,780	1,293,061	14.32
Other Non-current Assets	2,292,828	3,722,993	(1,430,165)	(38.41)
Total Assets	21,938,894	22,478,572	(539,678)	(2.40)
Current Liabilities	8,193,972	7,658,260	535,712	7.00
Non-current Liabilities	4,064,366	4,308,750	(244,384)	(5.67)
Total Liabilities	12,258,338	11,967,010	291,328	2.43
Capital	5,289,956	5,202,256	87,700	1.69
Capital Reserve	2,024,787	2,456,895	(432,108)	(17.59)
Retained Earnings	1,492,669	1,378,559	114,110	8.28
Other Equity	873,144	1,473,852	(600,708)	(40.76)
Total Equity	9,680,556	10,511,562	(831,006)	(7.91)

Explanation of changes in each item with increase/decrease of more than 20%:

- The decrease in other non-current assets was primarily due to the transfer of multiple prepayments for equipment to fixed assets, as well as the acquisition of land ownership for Plant 105 in Türkiye, which resulted in the transfer from prepayments for land.
- The decrease in other equity was mainly attributable to the exchange differences resulting from the translation of financial statements of foreign operations.

5.2 Financial Performance

5.2.1 Comparative Analysis of Financial Performance

Unit: NT\$ thousands

Items \ Year	2025	2024	Difference	
			Amount	%
Net Revenue	12,543,218	14,522,266	(1,979,048)	(13.63)
Cost of Goods Sold	11,477,351	12,791,107	(1,313,756)	(10.27)
Gross Profit	1,065,867	1,731,159	(665,292)	(38.43)
Operating Expenses	871,111	1,094,609	(223,498)	(20.42)
Income from Operations	194,756	636,550	(441,794)	(69.40)
Non-Operating Income and Expenses	(129,155)	(784,096)	654,941	(83.53)
Income (Loss) Before Income Tax	65,601	(147,546)	213,147	(144.46)
Income Tax Expense (Benefit)	(41,977)	(44,052)	2,075	(4.71)
Net Income (Loss)	107,578	(103,494)	211,072	(203.95)

Explanation of changes in each item with increase/decrease of more than 20%:

- The decrease in gross profit was primarily due to a decline in export orders resulting from higher U.S. tariffs, coupled with increased costs driven by rising nickel prices, leading to a drop in gross margin.
- The reduction in operating expenses was mainly attributable to the decrease in selling expenses and administrative expenses.
- The decrease in non-operating income and expenses was primarily because the impact of inflation was recognized under IAS 29 last year, whereas the functional currency has been changed to USD this year, resulting in a reduction in the related amounts.
- In summary, the aforementioned factors contributed to the increase in net profit before tax and net income for the period.

5.2.2 Basis for Projected Sales

Looking ahead to 2026, the Turkish subsidiary's third facility, specializing in industrial piping, commenced mass production in the third quarter of 2025. With increasing capacity utilization and a higher production ratio of high-margin industrial pipes, combined with the upward trend in nickel prices since early 2026 and reconstruction opportunities following the U.S.-Iran and Russia-Ukraine conflicts, we expect 2026 to deliver significant benefits to the YC Group.

5.2.3 Potential impact on the Company's future financial and business operations and countermeasures: None.

5.3 Cash Flow Analysis

5.3.1 Cash Flow Analysis for the Most Recent Year

Unit: NT\$ thousands

Cash at the Beginning of the Year (January 1, 2025)	Net Cash Used in Operating Activities	Net Cash Generated from (Used in) Investing Activities / Financing Activities	Cash Balance (Deficit), End of the Year	Remedial Measures for Cash Deficit	
				Investment Plans	Financing Plans
942,549	306,609	(212,901)	1,036,257	NA	NA

- A. Net cash inflow from operating activities was approximately NT\$306,609 thousand. This primarily consisted of a net profit before tax of NT\$65,601 thousand, along with a significant depreciation expense of NT\$559,161 thousand.
- B. Net cash outflow from investing activities was approximately NT\$926,815 thousand, mainly due to the continuous acquisition of property, plant, and equipment, as well as prepayments for equipment.
- C. Net cash inflow from financing activities was approximately NT\$713,914 thousand. This was primarily driven by continuous bank borrowings to meet operational needs, offset by the payment of cash dividends amounting to NT\$523,548 thousand.
- D. Remedial measures for liquidity deficiency: Not applicable.

5.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Cash at the Beginning of the Year (January 1, 2026)	Estimated Net Cash flow from Operating Activities	Estimated Net Cash flow from Investing Activities and Financing Activities	Estimated Cash Balance (Deficit), End of the Year	Remedial Measures for Cash Deficit	
				Investment Plans	Investment Plans
994,084	2,376,045	(1,931,388)	1,438,741	NA	NA

- A. Net cash generated from operating activities: Primarily generated from net income.
- B. Net cash used in investing activities: Mainly due to ongoing purchases of property, plant, and equipment.
- C. Net cash generated from financing activities: Mainly from borrowings and repayments of short- and long-term bank loans, as well as the payment of cash dividends.
- D. Remedial measures for liquidity deficiency: Not applicable.

5.4 Impact of Recent Major Capital Expenditures on the Company's Financial and Business Operations

5.4.1 Utilization of major capital expenditures and sources of funding

Unit: NT\$ thousands

Project	Actual or Planned Source of Funding	Actual or Scheduled Date of Completion	Total Capital Required	Actual or Planned Use of Funds	
				2025	2026
Acquisition of property, plant and equipment	Equity capital or Debt financing	2025~2026	1,143,690	957,775	185,915

Note: Due to the Company's ample liquidity and good strong relationships with financial institutions, the aforementioned major capital expenditures have had no material impact on the Company's financial and business performance.

5.5 Investment Policies, Major Causes for Profit or Loss and Improvement Plans in the Most Recent Year, and Investment Plans for the Coming Year

5.5.1 Investment Policy

The Company's investment policy focuses on aligning with global economic trends and establishing overseas production bases to enhance the competitiveness of its core business. Additionally, the Company seeks to identify high-potential industries for financial investments, aiming to generate synergies and increase investment returns.

The Company will continue to monitor and govern the financial and operational performance of its investment ventures, driving the investee companies to improve their business performance and enhance the investment benefits for the Company.

5.5.2 Major Causes for Profit or Loss, Improvement Plans and Investment Plans for the Coming Year:

As of December 31, 2025 / Unit: NT\$ thousands

Description Item	Original Investment Amount	Policy	Causes for Profit or Loss	Improvement Plan	Future Investment Plan
Ji-Mao Investment Co., Ltd. (Note 1)	100,120	Financial investment	Diversified investment	Not applicable	—
YC INOX TR Çelik Sanayi ve Ticaret A.Ş. (Note 1)	11,912,895	Development of overseas business, enhance competitiveness and operating performance	Currently, its production has not yet reached economic scale	Not applicable	—
AltruBio Inc.	533,107	Financial investment	Research & development phrase, operation is stable	Not applicable	—
Gongwin Biopharm Holdings Co., Ltd.	540,303	Financial investment	Research & development phrase, operation is stable	Not applicable	—

Note 1: Subsidiary of the Company.

5.6 Risk Management and Assessment

5.6.1 Impacts of Interest Rate Fluctuations, Exchange Rate Movements, Inflation on Profit and Loss of the Company, and Future Countermeasures:

A. Interest Rate Fluctuations:

Unit: NT\$ thousands

Item	Year	2024	2025
Debt to Assets Ratio (%)		53.23	55.87
Interest Expense		213,765	220,058
Income from Operations		636,550	194,756
Interest Expense to Income from Operations (%)		33.58	112.99

The Company maintains a robust financial structure, with a self-owned capital ratio of 44.13%. Consolidated interest expenses for 2025 totaled NT\$220,058 thousand. The high ratio of interest expenses to consolidated operating income is primarily due to the Turkish subsidiary still being

in its initial investment and expansion stage. As economies of scale have yet to be fully realized, transitional interest expenses temporarily exceed consolidated operating income.

Despite the international tariff fluctuations and global economic challenges in 2025, the Group demonstrated strong operational resilience, achieving an operating income of NT\$194,756 thousand. Given the parent company's solid profit base and ample liquidity, which are sufficient to support Group operations, the actual impact of interest rate fluctuations on overall earnings is expected to remain controllable. The Company will continue to monitor market interest rate trends and ensure the competitiveness of funding costs by optimizing debt structures and leveraging diverse financing tools.

B. Exchange Rate Movements:

The Company is dedicated to expanding its export markets; as a result, fluctuations between the U.S. dollar and the New Taiwan Dollar have both direct and indirect impacts on its financial performance. In response to the high volatility of the Turkish Lira, the Turkish subsidiary primarily holds U.S. dollar deposits to mitigate the risk of sharp depreciation in Turkish Lira.

When quoting prices to overseas customers, the Company takes exchange rate trends into account to minimize the impact on profitability. The Company maintains foreign currency deposit accounts with banks to meet funding needs and continuously monitors exchange rate movements. Based on market conditions, the Company adjusts its foreign currency holdings accordingly.

If necessary, the Company utilizes financial instruments such as forward foreign exchange contracts and foreign accounts receivable factoring to mitigate exchange rate risks. These activities are carried out in accordance with the Company's derivative financial instruments policy to strengthen risk management.

C. Inflation:

In 2025, Taiwan's Consumer Price Index (CPI) increased by 1.66% compared to 2024. The Company closely monitors fluctuations in raw material market prices and maintains strong interactive relationships with both suppliers and customers. We timely adjust our pricing to sustain basic profit margins and mitigate the impact of inflation on our profit and loss (P&L).

Furthermore, Türkiye has been classified as a hyperinflationary economy due to a cumulative inflation rate exceeding 100% over the past three years. Starting from 2025, the functional currency of our Turkish subsidiary has been changed from the Lira (TRY) to the U.S. Dollar (USD). As the USD is not a hyperinflationary currency, the Company has officially ceased the application of IAS 29. Consequently, there is no longer a need to recognize such non-operating losses, allowing our financial performance to reflect normalized operating results.

Other external factors, such as nickel price volatility and the conflict between the U.S., Israel, and Iran, have driven global inflation, pushing up costs for raw materials, energy, and labor. In response to these price fluctuations, the Company remains vigilant regarding inflationary trends and appropriately adjusts product selling prices and raw material inventory levels to minimize the impact of inflation on our operations.

5.6.2 Policies, main causes of profit and losses, and future countermeasures regarding high-risk and high-leverage investments, loans to others, endorsements and guarantees, and derivatives transactions:

- A. The Company did not engage in any high-risk and high-leverage investments in 2025.
- B. As of the end of 2025, the Company had an approved credit limit of NT\$1,571,500 thousand for loans to others, with an actual drawn amount of NT\$314,300 thousand. It was provided to the Turkish subsidiary as short-term funding needs, and all transactions were conducted in accordance with the Company's "Procedures for Lending Funds to Other Parties" and relevant laws and regulations. The loan amount to others did not exceed the prescribed limit
- C. As of the end of 2025, the Company had no endorsements and guarantees.
- D. In principle, the Company conducts derivative transactions solely for the purpose of avoiding risks arising from operations. The Company is allowed to mainly engage in forward foreign exchange contracts while other types of derivatives are avoided in line with the Company's conservative and prudent financial policies. In 2025, the Company did not engage in any derivative transactions. If such transactions are required in the future, they will be processed in accordance with applicable policies and regulations and within the prescribed limits.

5.6.3 Future research and development projects and estimated research and development expenditure:

In response to the challenges posed by declining birth rates and rising labor costs, the Company will continue to prioritize automation and intelligent upgrades to reduce workforce burden and enhance process efficiency.

Concurrently, in line with ESG sustainability initiatives, we are actively integrating high-efficiency energy-saving equipment and continuously optimizing our energy management system to strengthen energy conservation and carbon reduction efforts.

We are committed to achieving zero emissions in our pickling process, moving from zero discharge of process wastewater to automated pickling, thereby progressively reducing pickling waste. Through concrete actions, the Company is dedicated to pollution reduction and environmental friendliness, fully demonstrating corporate social responsibility, striving for sustainable development and maximization of corporate value.

5.6.4 Impact on the Company's finance and business due to changes in important domestic/international policies and laws and future countermeasures:

The Company closely monitors recent major domestic and international policy and legal changes through various information channels and responds promptly with timely and appropriate measures. Therefore, such changes have not had a significant impact on the Company's financial and business operations.

5.6.5 Impact of Technology Changes, including cybersecurity risks, and Market Changes on the Company's Financial and Business Operations, and Countermeasures:

The Company is actively investing resources in information and communication security management to adapt to technological changes. We have obtained ISO 27001 certification for Information Security Management Systems (ISMS). The Company also emphasizes security education and training to enhance employees' awareness of information security, and strengthen the implementation of security protection systems. The results of the information and communication security management and execution were reported to the Board of Directors in December 2025.

The Company's main business is the manufacturing and trading of stainless steel pipe/tube and sheet/coil, and other stainless steel products. Due to the wide variety and extensive use of

stainless steel products in industries such as machinery, household appliances, electrical engineering, construction materials, metal furniture, and construction, the demand for these products remains stable. The Company continuously improves process automation and efficiency to maintain a competitive advantage in product quality. It also actively explores new overseas markets and customers to adapt to changes in the industry.

5.6.6 Impact on the Company's crisis management due to changes in corporate image and future countermeasures thereof:

The Company is committed to operating with integrity, transparency, and responsibility, adhering to the principles of ethical business practices. It has established robust corporate governance and risk management mechanisms to create a sustainable business environment. The Company maintains a strong corporate image and does not anticipate any foreseeable crisis situations.

5.6.7 Expected benefits and potential risks related to mergers and acquisitions:

The Company currently has no M&A plans.

5.6.8 Expected benefits and potential risks related to plant expansion:

The Company currently has no plans for further plant expansion within Taiwan. However, to pursue sustainable operation and growth for the Group, a subsidiary has been established in Türkiye. Currently, all three plants in Türkiye have commenced production and sales, contributing to a steady growth in consolidated revenue. The investment in the Turkish subsidiary is funded by the Company's own capital, and the associated potential risks remain limited and manageable.

5.6.9 Risks and Countermeasures related to procurements and sales concentration:

The Company primarily engages in the production and sales of stainless steel pipe/tube and sheet/coil, and other stainless steel products. The main raw materials used are cold-rolled and hot-rolled stainless steel coil and sheet. Due to the characteristics of the stainless steel industry, most hot-rolled raw materials and special specifications are imported from foreign suppliers, while other categories are procured from domestic suppliers such as Yieh United Steel Corp. and Walsin Lihwa Corp. These suppliers are reputable and leading stainless steel coil manufacturers in Taiwan, known for their high quality, reasonable pricing, and stable delivery. The Company has maintained long-term relationships with these suppliers. The procurement of raw materials is diversified among multiple suppliers and different regions to ensure a reliable supply and reduce the risk of concentrated procurement.

On the sales side, the Company's customers are primarily overseas, and its sales channels are well diversified. No single customer accounts for more than 10% of the total revenue. Therefore, the Company is not exposed to customer concentration risk.

5.6.10 Impact of major transfers or changes in shareholdings of directors or major shareholders with over 10% shareholding on the Company:

Over the past three years and up to the date of this annual report, there have been no significant changes in the shareholding of the Company's directors or major shareholders holding more than 10% of the Company's shares. As such, the impact on the Company has been limited.

5.6.11 Impact, risks and countermeasures related to changes in control of the Company: None.

5.6.12 Litigious or non-litigious matters: None.

5.6.13 Other Significant Risks and countermeasures:

The Company's risk management practices in 2025, along with the significant climate -related risks and opportunities identified in accordance with the TCFD (Task Force on Climate-related Financial Disclosures), as well as their associated financial impacts, response strategies, and action plans, were reported to the 4th meeting of the 2nd Sustainability Committee and the 11th meeting of the 18th Board of Directors on December 26, 2025. The information has also been disclosed on the Company's website (<https://www.ycinox.com/tw/ir/ir-353>).

5.7 Other Important Matters: None.

VI. Special Disclosures

6.1 Information of Affiliated Companies

Please refer to the Market Observation Post System.

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

6.2 Private Placement of Securities in the Most Recent Year up to the Publication Date of this Annual Report: None.

6.3 Other Supplementary Matters: None.

6.4 In the Most Recent Year up to the Publication Date of this Annual Report, Any Event Which Significantly Affects Shareholders' Equity or Share Price Pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

YC INOX CO., LTD.



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