Stock code:2243

HORNG SHIUE HOLDING Co., Ltd.

2025 Annual Report

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Published on April 20th, 2026

1. Company Spokesman:
   Spokesman: Te-Jen, Su
   Title: Secretary for board of directors
   Tel: 0901102243
   Email: hs@horngshiue.com
   Acting spokesman: Sheng-fei, Ning
   Title: Head for financial department
   Tel: 0901102243
   Email: hs@horngshiue.com
2. Addresses and telephone numbers of the head office and branch office
   (1) Head office
      Name: HORNG SHIUE HOLDING Co., Ltd.
      Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands
      Tel: 0901102243
   (2) Taiwan office
      Name: Cayman Islands, HORNG SHIUE HOLDING Co., Ltd. Taiwan Office
      Address: 2F., No. 86, Section 1, Wenhua 1st Road, Linkou District, New Taipei City
      Tel: 0901102243
   (3) Branch office

Name: HORNG SHIUE INDUSTRIAL Co., Ltd.Tel: 0901102243 Address: 3rd floor, Raffles Tower, 19 Cybercity,Ebene, Mauritius
Name: ShangHaiHorngshiue Industrial Co., Ltd.Tel: (86) 21-57609158 Address: No. 100, Rongchang Road, Chedun Township, Songjiang District, Shanghai City.
Name: Zhejiang Horngshiue Industrial Co., Ltd. Address: No. 999, Huxun Boulevard, S. Xun District, Huzhou City, Zhejiang Province Tel: (86) 21-57609158

3. Name, address and telephone number of the stock transfer agency
   Name: Fubon Securities Co., Ltd. Stock Transfer Agency Department
   Address: 2F., No. 17, Xuchang Street, Taipei City.
   Website: http：//www.fubon.com
   Tel: (02)2361-1300
4. CPAs certifying the latest financial statements
   Name of CPAs: Chen, Chin-Chang, Liao, Fu-Ming
   Name of CPA firm: PwC Taiwan
   Address: 27th Floor, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City
   Website: http：//www.pwc.tw Tel: (02)2729-6666
5. Venue for trading the Company's listed overseas securities and inquiry method for such overseas securities: None.
6. Company website: http://www.horngshiue.com

7. Litigation and non-litigation agents in Taiwan (R.O.C)
   Name: LIN,WEI-YUAN
   Job Title: Chairman
   Tel: +886-901102243
   Email: hs@horngshiue.com
8. Board of Directors

Job Title	Name	Nationality / Country of origin	Experience (Education)
Chairman	WEI YUANE INDUSTRIAL CO., LTD.	British Virgin Islands	Hwa Hsia School of Industrial Technology,Department of Mechanical Engineering Fujinomiyatsu Co., Ltd., Intern YUNG SHINE INDUSTRIAL CO., LTD., Deputy General Manager
	Representative：LIN,WEI-YUAN	R.O.C.	
Director	WEI YUANE INDUSTRIAL CO., LTD.	British Virgin Islands	The Law School of University of Pennsylvania COO of Tathong Equipment Services Ltd.）, Director of Tathong Equipment Services Ltd.
	Representative：LIN,HAN-WEI	R.O.C.	
Director	Si Yuan Investment Co., Ltd.	British Virgin Islands	Youde Senior High School, Department of Commerce
	Representative：LIN,MEI-YING	R.O.C.	
Director	Si Yuan Investment Co., Ltd.	British Virgin Islands	Youde Senior High School, Department of Electrical Engineering
	Representative：LIN,XIAN-PING	R.O.C.	
Independent director	WANG,SHU-CAI	R.O.C.	Chinese Culture University, Department of Accounting BDO Taiwan Union & Co., auditor Bank SinoPac, Sales Manager
Independent director	CAI,JIN-LONG	R.O.C.	Hwa Hsia School of Industrial Technology, Department of Mechanical Engineering JIN MING INDUSTRY CO., LTD., General Manager Ningpo ONE TEAM ELECTRIC CO., LTD., Deputy Chairman
Independent director	LING,TIAN-SHENG	R.O.C.	Simon Fraser University, Bachelor of Business Administration Manager of Deloitte Financial Advisory Co., Ltd. STIC Investments Inc., Senior Vice President CCMG-KY(6404) Independent Director General Manager, Financial Advisory Department, Crowe (TW) CPAs
Independent director	PAN,YI-SHAN	R.O.C.	Department of Accounting in Chung Yuan Christian University Institute of Accounting in Fu Jen Catholic University Audit Manager, PWC Accounting Director in Ching Kuo Institute of Management and Health President of Onething CPAs Firm ndependent Director of Sofiva Genomics Co., Ltd.(6615) Independent Director of Tat Hong Equipment Service Co., Ltd. (02153.HK)

CONTENTS

I.Letter to Shareholders

To Horng Shiue Shareholders, Laies and Gentlemen,

Thank you all to join Horng Shiue 2026 shareholders' meeting. To understand 2025 Operating Performance, 2025 Operation Proposal Summary, the Compnay Future Devolopment Strategy and External Environment Effect, please refer to the following report:

1.2025 Operating Performance

(1) The Result of Implement Operation Program

In 2025, global automobile sales reached 96.47 million units, a year-on-year increase of 5%. Among them, the China market contributed 34.4 million units, a year-on-year increase of 9.4%, ranking first in the world for 17 consecutive years; the United States contributed 16.72 million units, a year-on-year increase of 1%; and India contributed 5.58 million units, a year-on-year increase of 7%.

The company's consolidated operating income for fiscal year 2025 was NT$1,739,108,000, an decrease of 9.02% over fiscal year 2024, and net profit after tax was NT$84,591,000.

Looking ahead, according to authoritative forecasts, global automobile sales are projected to grow slightly by 1.5% in 2026, approaching 98 million units. China, the United States, and India will remain the top three markets globally, accounting for over 60% of the total. China's total automobile sales are expected to reach 34.75 million units, a slight year-on-year increase of 1%. Passenger vehicles will account for 30.25 million units (+0.5%), and commercial vehicles for 4.5 million units (+4.7%). Technological advancements in new energy vehicles, expansion of export markets, and optimization of supply chain costs will be the core drivers of growth, indicating significant room for further development in the new energy vehicle market. On the other hand, the traditional automobile market will also meet increasingly diverse consumer demands through technological innovation and product upgrades..

(2)The Status of Budge Implement

It is not applicable due to the Company did not disclosethe financial forecast in 2025.

(3)Analysis of Financial Disbursement and Profitability

Unit：in Thousands of New Taiwan Dollars

Item			2025	2024	Increase and Decrease Ratio%
Financial Disbursement	Operating Revenue		1,739,108	1,911,540	-9.02%
	Gross Profit		250,322	165,071	50.65%
	Net Profit		84,591	16,734	405.50%
Profitability	Return on Assets (%)		2.56	0.52	392.31%
	Return on Shareholders’equity		10.91	2.35	364.26%
	Paid-in capital rate(%)	Operation income on capital	14.92	4.81	210.19%
		Per-tax income to capital	12.82	4.32	196.76%
	Net income to sales (%)		4.86	0.88	452.27%
	Earning per shares (NT$)		1.22	0.24	408.33%

(4)Research and Development Result

2025 Research and Development Result

Result	Application	Sale
Development of Automotive Stamping Dies with Non-Standard Interactive CAM Mechanisms	This research and development utilizes a unique structural design technology that can be applied to the design of dies with subsequent side flanges, ensuring product quality and enhancing the company's competitiveness.	Applicable to stamping dies with non-standard interactive CAM mechanisms.
Development of a Side Pressure Plate Mechanism for Edge Binding Dies	This development utilizes a compact non-standard CAM to achieve a better pressing effect on sheet metal, ensuring edge binding quality.	Automatic cleaning device for stamping waste, avoiding potential safety hazards in production and improving the efficiency of stamping production.
Development of Non-Standard Cylinder Drive Mechanisms in Automotive Stamping Dies	Utilizing cylinders as the power source for non-standard CAM mechanisms facilitates press line connection adjustments to die working sequence, reduces die impact, and extends die life.	Suitable for stamping dies with non-standard interactive CAM mechanisms.
Development of a feeding device for automotive stamping dies	This device achieves synchronized feeding, improves feeding stability, and reduces die rework time caused by feeding issues.	Suitable for blanking dies for automotive sheet metal parts.
Development of a Switching Mechanism for Automotive Stamping Dies	The development of an interchangeable mechanism for automotive dies reduces the	Applicable to all stamping dies for multi-state sheet metal parts.

	number of dies required from the client, lowers die costs, reduces die changeover time, and enables online switching, thereby improving production efficiency.	

The Company holds the technique independent principle, and cooperates with foreign corporation who has advance technology, and insists improving and upgrating design technology and production research, and cultivates talents for research and development. In conform the needs of car factory, we persist develop strong and special material mold, and improve the technique to increase finished product yield and decrease production cost. In the future, we will keep 1% of sale income in technique development and renovation investment in order to promote the product competitiveness..

2. 2025 Operation Proposal Summary

(1)Operating Guideline

a. Technology Leadership, High-End Breakthrough: Promoting the application of integrated CAD/CAE/CAM automated design technology, introducing automated mold design systems, shortening mold development cycles by over 20%, and reducing manufacturing anomaly rates by over 10%.

b. Overseas Market Expansion: Deepening our presence in the mainland market while expanding our share in overseas markets to diversify operational risks.

c. Differentiated Product Layout: A diversified market layout, setting up economical mold structures for low-volume vehicle models, and implementing diversified technical standards to meet the technical requirements of corresponding customers and maintain existing market share.

d. Green and Intelligent Manufacturing: Constructing green factories, introducing energy-saving equipment, reducing carbon emissions, and responding to government policies on carbon reduction.

e. Talent and Team Building: Attracting, retaining, and effectively utilizing talent. Establishing a scientific talent introduction and incentive mechanism, providing a vocational skills training platform, and cultivating compound talents with both mold design and intelligent technology expertise.

f. Deep Customer Engagement: Focusing on customer value, providing one-stop services from simultaneous engineering of vehicle body design to mass production delivery, shortening development cycles through a data platform, and quickly responding to customized customer needs.

(2) Sales prediction and reference

In accordance with the status of purchasing order, customer operating overview and market demand and development, the Company also considers the production to make the sales prediction. The Company upholds its core value of operating concept“Excellence, Integrating, Specialty, Innovation, Happiness”, and controls the market and adopts the changing situation in order to achieve the 2026 Operation goal.

(3) the Company Future Devolopment Strategy

a. Anchor product competitiveness with high-end technology, improve efficiency and reduce costs through intelligent manufacturing, and diversify risks through international market expansion, ultimately building a three-pronged competitive advantage encompassing "technology, ecosystem, and brand.".

b. Driven by technological upgrades and innovation, innovate materials and processes, leveraging the powerful capabilities of big data and AI to rapidly improve mold technology, increase process success rates, reduce springback defects, and enhance part precision.

c. Undergo intelligent transformation by deploying an AI-assisted design system to automatically optimize mold structure parameters and shorten design cycles.

d. Build smart factories with CNC machining center automation rates exceeding 70%, and monitor capacity utilization in real time (target ≥95%).

e. Market expansion and competitive strategies: Regional layout, consolidating the advantages of the Yangtze River Delta industrial cluster, and establishing localized service bases close to OEMs. Expand into overseas markets: Through high-end customer reviews, enter the supply chains of international high-end automakers, aiming to increase export share to over 25%.

f. mplement a tiered competitive strategy, researching economical mold structures, expanding business scope, segmenting the market, and gaining market share.

g. Vertically integrate the supply chain, increase supplier loyalty, build a robust and reliable supply chain system, optimize cost structure, achieve reasonable profits, and share both success and failure.

h. Lean production management: Implement modular design, achieve a standard parts utilization rate of over 70% for molds, and reduce the manufacturing cost per set.

i. Talent and organizational support: Optimize incentive mechanisms and provide generous rewards to personnel who contribute to the company's technological advancement and innovation. Encourage technological progress and reward hard work. Reduce debugging cycles, improve efficiency, shorten production cycles, and generate profits for the company.

3.Impact by External Competition, Law Restriction and the Whole Operating Environment

(1) Regarding the external competitive environment, the Group has established a relatively stable competitive landscape in the mid-range market. For export molds in the high-end market, the Group has focused its efforts and has gradually secured stable cooperative relationships with major international automakers.

(2) Differentiated Competition Strategy: Core enterprises focus on the high-end market (such as body panel parts and precision structural component molds), squeezing out foreign companies' market share through technological barriers. Deepening its presence in niche markets and seizing niche markets with flexible services. A one-stop service model integrates design to mass production, enhancing customer loyalty.

(3) With technological innovation as the core, policy adaptation as a guarantee, and globalization as the path, the Group addresses the dual challenges of intensified competition and increasingly stringent regulations through intelligent upgrading, green transformation, and supply chain collaboration, achieving a transformation and upgrade from "manufacturing dependence" to "technology export.

The Company management team thanks every shareholders' and directors'support and trust. We will keep engage in operating company to produce more profits for shareholders.

Best wishes to you all!

Chairman: Lin, Wei-Yuan

II. Company Profile

1. Company Group Profile and Group Structure: Please refer to page 105 of this annual report.
2. Risk Matters

   Please refer to page 98 " VI. 6. Analysis and Assessment of Risk Issues " in this annual report for details of the Company's risk matters.

III. Corporate Governance Report

1.Directors, Supervisors, General Manager, Deputy General Manager, Associates, Departments and Branches Officer Information

(1)Directors and Supervisors

①.Names, experience and education, share holding status of directors and supervisors

March 27, 2026; Units: Thousand shares;%

Title	Nationality	Name	Gender Age	Date Elected	Term (years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	British Virgin Is.	WEI YUAN INDUSTRIAL CO., LTD.	-	2025.05.23	3	2016.09.18	6,225	13.49	6,225	8.97	–	–	–	–	Hwa Hsia School of Industrial Technology,Department of Mechanical Engineering Fujinomiyatsu Co., Ltd., Intern YUNG SHINE INDUSTRIAL CO., LTD., Deputy General Manager	Note 1	–	–	–	
	Republic of China	RepresentativeLIN,WEI-YUAN	Male 61~70				3,663	7.94	3,663	5.28	2,250	3.24	6,225	8.97						
Director	British Virgin Is.	WEI YUAN INDUSTRIAL CO., LTD.	-	2025.05.23	3	2016.09.18	6,225	13.49	6,225	8.97	–	–	–	–	The Law School of University of Pennsylvania COO of Tathong Equipment Services Ltd.）, Director of Tathong Equipment Services Ltd.（02153HK）	Note 2	–	–	–	
	China	Representative LIN,HAN-WEI	Male 61~70				–	–	–	–	–	–	–	–						
Director	British Virgin Is.	Si Yuan Investment Co., Ltd.	-	2025.05.23	3	2016.09.18	6,000	13.01	6,000	8.65	–	–	–	–	Youde Senior High School, Department of Commerce	Note 3	Director	LIN,XIAN-PING	Sister and brother	
	Republic of China	Representative LIN,MEI-YING	Female 71~80				1,388	3.01	1,388	2.00	–	–	6,000	8.65						
Director	British Virgin Is.	Si Yuan Investment Co., Ltd.	-	2025.05.23	3	2016.09.18	6,000	13.01	6,000	8.65	–	–	–	–	Youde Senior High School, Department of Electrical Engineering	Note 4	Director	LIN,MEI-YING	Sister and brother	
	Republic of China	Representative LIN,XIAN-PING	Male 61~70				–	–	–	–	–	–	–	–						
Independent Director	Republic of China	WANG,SHU-CAI	Male 51~60	2025.05.23	3	2016.09.18	–	–	–	–	–	–	–	–	Chinese Culture University, Department of Accounting BDO Taiwan Union & Co., auditor Bank SinoPac, Sales Manager	Note 5	–	–	–	

Title	Nationality	Name	Gender Age	Date Elected	Term (years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	CAI,JIN-LONG	Male 61~70	2025.05.23	3	2016.09.18	—	—	—	—	—	—	—	—	Hwa Hsia School of Industrial Technology, Department of Mechanical Engineering JIN MING INDUSTRY CO., LTD., General Manager Ningpo ONE TEAM ELECTRIC CO., LTD., Deputy Chairman	—	—	—	—	
Independent Director	Republic of China	LING,TIAN-SHENG	Male 41~50	2025.05.23	3	2025.05.23	—	—	—	—	—	—	—	—	Simon Fraser University, Bachelor of Business Administration Manager of Deloitte Financial Advisory Co., Ltd. STIC Investments Inc., Senior Vice President CCMG-KY(6404) Independent Director General Manager, Financial Advisory Department, Crowe (TW) CPAs	Note 6	—	—	—	
Independent Director	Republic of China	PAN,YI-SHAN	Female 41~50	2025.05.23	3	2025.05.23	—	—	—	—	—	—	—	—	Department of Accounting in Chung Yuan Christian University Institute of Accounting in Fu Jen Catholic University Audit Manager, PWC Accounting Director in Ching Kuo Institute of Management and Health President of Onething CPAs Firm Independent Director of Sofiva Genomics Co., Ltd.(6615) Independent Director of Tat Hong Equipment Service Co., Ltd. (02153.HK)	Note 7	—	—	—	

Note 1: Adjunct HORNG SHIUE INDUSTRIAL Co., Ltd. Chairman, ShangHaiHorngshiue Industrial Co., Ltd. Executive Director, Zhejiang Horngshiue Industrial Co., Ltd. Executive Director, ShangHaiDaShu Investment Consulting Co., Ltd. Chairman, WEI YUANE INDUSTRIAL CO., LTD.Director, Famous Season Limited Director,ShangHaiHorngshiue Industrial Co., Ltd. General Manager, Zhejiang Horngshiue Industrial Co., Ltd. General Manager,

Note 2: Adjunct Tathong Equipment Services Ltd. COO and Director.

Note 3: JYH SHYANG INDUSTRIAL CO., LTD. Chief Financial Officer.

Note 4: Adjunct JYH SHYANG INDUSTRIAL CO., LTD. General Manager, GORDON AUTO BODY PARTS CO., LTD. Director.

Note 5: E-packing Holding Limited Director and Chief Financial Officer

Note 6: General Manager, Financial Advisory Department, Crowe (TW) CPAs

Note 7: Independent Director of Sofiva Genomics Co., Ltd.(6615) and Independent Director of Tat Hong Equipment Service Co., Ltd. (02153.HK)

②. For Director or Supervisor who is a corporate shareholder,the corresponding major shareholder

A.The name of shareholder of the corporate shareholder who has 10% of the share amounts or more or is top 10 in shareholding and the shareholding ratio

March 27, 2026

Name of Institutional Shareholder	Major shareholder
WEI YUANE INDUSTRIAL CO., LTD.	LIN,WEI-YUAN (63.85%)DAI,YU-HUA (36.15%)
Si Yuan Investment Co., Ltd.	LIN,MEI-YING (100%)

B.Major shareholders in the above table who are institutional shareholders: None.

③Professional Qualifications and Independence Analysis of the Directors and Supervisors

Qualifications / Name	Professional Qualification and Work Experience (Note1)	Independence Criteria (Note2)	Number of Other Public Companies Where the Individual is Concurrently Serves as an Independent Director
WEI YUANE INDUSTRIAL CO., LTD. Representative LIN,WEI-YUAN	Graduated from the Mechanical Department of Huaxia Industrial College. He is the founder, current chairman and general manager of the company and an executive director of the mainland subsidiary. He has more than five years of work experience in business, legal or corporate business, and is engaged in the automotive sheet metal mold industry. Over the years, with professional leadership, marketing, operation management and strategic planning capabilities, he has led the company to the status of an industry pioneer and a sustainable operation.	Not under any of the categories stated in Article 30 of the Company Act	—
WEI YUANE INDUSTRIAL CO., LTD. Representative LIN,HAN-WEI	Graduated from the Law School of the University of Pennsylvania, adjunct the COO and Director of Tathong Equipment Services Ltd.., he has more than five years of work experience required for business, legal or corporate business, and has extensive legal experience.	Not under any of the categories stated in Article 30 of the Company Act	—
Si Yuan Investment Co., Ltd. Representative LIN,MEI-YING	Graduated from the Commerce Department of Youde High School, and concurrently serves as the chief financial officer of JYH SHYANG INDUSTRIAL CO., LTD., with more than five years of work experience required for business, legal or corporate business, and has extensive financial and business-related experience.	Not under any of the categories stated in Article 30 of the Company Act	—

<table>
<tr><th>Qualifications
Name</th><th>Professional Qualification and Work Experience (Note1)</th><th>Independence Criteria (Note2)</th><th>Number of Other Public Companies Where the Individual is Concurrently Serves as an Independent Director</th></tr>
<tr><td>Si Yuan Investment Co., Ltd. Representative LIN,XIAN-PING</td><td>Graduated from the Electrical Engineering Department of Youde High School, and adjunct the general manager of JYH SHYANG INDUSTRIAL CO., LTD., and the Director of GORDON AUTO BODY PARTS CO., LTD. He has more than five years of work experience required for business, legal or corporate business. Business related experience.</td><td>Not under any of the categories stated in Article 30 of the Company Act</td><td>—</td></tr>
<tr><td>Independent Director WANG,SHU-CAI</td><td>Graduated from the Accounting Department of China Culture University, worked as an auditor of Liben Accounting Firm, a business manager of Sino Bank, and a director and chief financial officer of E-packing Holding Limited, with more than five years of work experience in business, legal or corporate business. , specializes in financial planning and financial related fields, and provides professional advice for the company's financial planning.</td><td rowspan="3">In the two years prior to the appointment and during the term of office, the following conditions of independence have been met:
(1) Not an employee of the company or any of its affiliates.
(2) Nota director or supervisor of the company or any of its affiliates.Notapply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
(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 of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
(5) Nota director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
(6) If a majority of the company's director seats or</td><td>—</td></tr>
<tr><td>Independent Director CAI,JIN-LONG</td><td>Graduated from the Mechanical Department of Huaxia Industrial College. He used to be the general manager of Jinming Industrial Co.,Ltd. and the vice chairman of Ningbo Wangquan Electronics Co., Ltd. He has more than five years of work experience in business, legal or corporate business, specializing in operations. Management and strategic planning capabilities, providing professional advice for the company's operational management and strategic planning.</td><td>—</td></tr>
<tr><td>Independent Director LING,TIAN-SHENG</td><td>Graduated from the Simon Fraser University, Bachelor of Business Administration. He used to be the Manager of Deloitte Financial Advisory Co., Ltd.,STIC Investments Inc., Senior Vice President, CCMG-KY(6404) Independent Director and General Manager, Financial Advisory Department, Crowe (TW) CPAs, with more than five years of work experience in business, legal or corporate business, specializing in financial planning and investment-related fields. Financial planning provides professional advice.</td><td>—</td></tr>
</table>

Qualifications / Name	Professional Qualification and Work Experience (Note1)	Independence Criteria (Note2)	Number of Other Public Companies Where the Individual is Concurrently Serves as an Independent Director
Independent Director PAN,YI-SHAN	Graduated from the Department of Accounting in Chung Yuan Christian University and Institute of Accounting in Fu Jen Catholic University. He used to be the Audit Manager, PWC, Accounting Director in Ching Kuo Institute of Management and Health and President of Onething CPAs Firm, Independent Director of Sofiva Genomics Co., Ltd.(6615), Independent Director of Tat Hong Equipment Service Co., Ltd.(02153.HK), with more than five years of work experience in business, legal or corporate business, specializing in financial planning and investment-related fields. Financial planning provides professional advice.	voting shares and those of any other company are controlled by the same person:nota director, supervisor, or employee of that other company.Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent. (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent. (8)Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company. (9) Nota professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. (11) Not been a person of any conditions defined in Article 30 of the Company Law. (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	

④.Diversity and Independent of Board of Directors:

A. Diversity of Board of Directors: describe the board's diversity policy, objectives and achievement. The diversity policy includes, but is not limited to, the selection criteria for directors, the composition or proportion of the professional qualifications and experience, gender, age, nationality and culture of the board of directors, and the specific objectives of the company and how they are achieved in the disclosure policy.

In accordance with Article 192-1 of the Company Act, our company accepts written nominations of candidates from shareholders holding one percent of the shares, or nominations from professionals and distinguished individuals in various fields such as industry, commerce, technology, finance, accounting, banking, or law by the Board of Directors, provided that such nominees do not fall under any of the circumstances described in Article 30 of the Company Act. These nominations serve as the selection criteria for directors. Our fifth Board of Directors comprises eight members from professional fields such as manufacturing, accounting, finance, and law, aged between 47 and 75. Two of them are women, representing 25% of the board. We continue our efforts to ensure diversity in terms of gender, age, nationality, and culture. Regarding professional diversity, the directors come from various fields and can provide valuable opinions and experience to assist the company in its development.

B. Independence of the Board of Directors: state the number and proportion of independent directors, state the independence of the board of directors, and provide reasons for the absence of any of the circumstances specified in paragraphs 3 and 4 of Section 26-3 of the Securities and Exchange Act, including the occurrence of spouse and relative within two degree of kinship between supervisors and supervisors.

The board of directors of the company is composed of eight members and four independent directors, accounting for 50% of the total. The board of directors is independent in exercising functions and powers. All directors of the Company, except director LIN,MEI-YING and director LIN,XIAN-PING are relative within two degree of kinship, are not related to each other as stipulated in Item 3 and Item 4 of Article 26 of the Securities and Exchange Act, and the Company has appointed independent directors and established an audit committee to exercise their functions and powers independently.

(2)General Manager, Deputy General Manager, Associates, Departments and Branches Officer

March 27, 2026; Units:Thounds Shares;%

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangment		Experience (Education)	Other Position	Managerial person who are spouses or within two degrees of kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Acting General Manager and COO	Republic of China	CHEN,GUANG-RUI	M	2009.03.01	—	—	—	—	—	—	Nanya Institute of Technology, Mechanical Motor Group LIAN CHEN METAL MFG WORKS CO., LTD., Design Section Manager Suzhou Kaishun Precision Mould Co., Ltd., Deputy General Manager	—	—	—	—	—
Financial Manager	China	NING,SHENG-FEI	M	2012.02.01	—	—	—	—	—	—	Yunnan University of Finance and Economics, Master of Economics Shanghai Songjiang Township People's Government Rongcheng Asset Operation Co., ShangHaiBesttrust Asset Operation Co., Ltd.,Investment Banking Department Project Manager Shanghai Jiading Industrial Zone Development (Group) Co., Ltd. Audit Office Supervisor ShangHaiHorng Shiue Industrial Co., Ltd., Head of Financial Department and Management Department	Note 1	—	—	—	—
Audit Manager	Republic of China	ZHANG, ZHE-FU	M	2015.10.01	14	0.02	—	—	—	—	National United University, Department of Electrical Engineering CHINESE AUTOMOBILE COMPANY, Design Section Manager WAFFER TECHNOLOGY CORP., Senior Engineer ShangHaiHorng Shiue Research Center Director, Project Department, Head	—	—	—	—	—

Note 1: HORNG SHIUE INDUSTRIAL Co., Ltd. Financial Department Manager, ShangHai Horngshiue Industrial Co., Ltd. Financial Department Director,ShangHaiDaShu Investment Consulting Co., Ltd. Supervisor.

(3) If the chairman and the general manager or equivalent (top manager) are the same person, spouses, or first-degree relatives, the reasons, rationale, necessity, and countermeasures should be explained: This situation does not exist.

2.Remuneration of the Directors, Supervisors, General Managers and Deputy General Managers of the Past Year.

(1)Directors Remuneration (including independent directors)

Unit: NT$ Thousand; Thousand Shares

Title	Name	Director remuneration								Total Remuneration and ratio of Total Remuneration(A+B+C+D) to NetIncome (%)		Remuneration from other jobs								Total Compensation and ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Remuneration from re-invested businesses other than subsidiaries
		Remuneration(A)		Retirement pension(B)		Director remuneration(C)		Business execution expenses(D)				Remuneration, bonus and special fees (E)		Retirement pension(F)		Employee remuneration(G)						
		The Company	Companies in the consolidatedfinancial statements	The Company	Cmpanies in the consolidatedfinancial statements	The Company	Cmpanies in the consolidatedfinancialstatements	The Company	Cmpanies in the consolidatedfinancial statements	The Company	Cmpanies in the consolidatedfinancialstatements	The Company	Cmpanies in the consolidatedfinancialstatements	The Company	Cmpanies in the consolidatedfinancial statements	The Company		Cmpanies in the consolidatedfinancialstatements		The Company	Cmpanies in the consolidatedfinancialstatements	
																Cash	Stock	Cash	Stock			
Chairman	WEI YUANE INDUSTRIAL CO., LTD. Representative LIN,WEI-YUAN	600	600					100	100	700/ 0.83%	700/ 0.83%		4,926							700/ 0.83%	5,626/ 6.65%	—
Director	WEI YUANE INDUSTRIAL CO., LTD. Representative LIN,HAN-WEI	600	600					60	60	660/ 0.78%	660/ 0.78%									660/ 0.78%	660/ 0.78%	—
Director	Si Yuan Investment Co., Ltd. Representative LIN,MEI-YING	600	600					100	100	700/ 0.83%	700/ 0.83%									700/ 0.83%	700/ 0.83%	—

Director	Si Yuan Investment Co., Ltd. Representative LIN,XIAN-PING	600	600					40	40	640/ 0.76%	640/ 0.76%									640/ 0.76%	640/ 0.76%	—
Independent Director	WANG,SHU-CAI	600	600					100	100	700/ 0.83%	700/ 0.83%									700/ 0.83%	700/ 0.83%	—
Independent Director	CAI,JIN-LONG	600	600					100	100	700/ 0.83%	700/ 0.83%									700/ 0.83%	700/ 0.83%	—
Independent Director	CHANG,CHUN-PO(Note1)	235	235					40	40	275/ 0.33%	275/ 0.33%									275/ 0.33%	275/ 0.33%	—
Independent Director	LING,TIAN-SHENG(Note1)	365	365					60	60	425/ 0.50%	425/ 0.50%									425/ 0.50%	425/ 0.50%	—
Independent Director	PAN,YI-SHAN(Note1)	365	365					60	60	425/ 0.50%	425/ 0.50%									425/ 0.50%	425/ 0.50%	—

Note1：At the annual general meeting of shareholders on May 23, 2025, the Company held a board re-election. Independent director CHANG,CHUN-PO was removed from office upon the expiration of his term, and independent directors LING,TIAN-SHEN and PAN,YI-SHAN were elected and took office.

(2) Remunerations of the Supervisors: The Company has established the audit committee, hence this item is not applicable.

(3)Remunerations of the general manager and deputy general manager

Title	Name	Remuneration(A)		Retirement pension (B)		Bonus and special fees, etc(C)		Employee remuneration(D)				Total Compensation and ratio of Total Compensation(A+B+C+D) to Net Income (%)		Remuneration from re-invested businesses other than subsidiaries
		The Company	Companies in the consolidatedfinancialstatements	The Company	Companies in the consolidatedfinancialstatements	The Company	Companies in the consolidatedfinancialstatements	The Company		Cmpanies in the consolidatedfinancialstatements		The Company	Cmpanies in the consolidatedfinancialstatements	
								Cash	Stock	Cash	Stock			
Acting General Manager and COO(Note1)	CHEN,GUANG-RUI	—	3,586	—	—	—	—	—	—	—	—	—	3,586/ 4.24%	—

Note1. Lin Wei-yuan resigned as general manager on August 27, 2024, and Chief Operating Officer Chen Guang-rui temporarily serves as acting general manager.

(4) Managerial officers with the top five highest remuneration amounts in a TWSE/TPEx-listed company

Title	Name	Salary (A)		Severance Pay (B)		Bonus and special fees, etc(C)		Employee Compensation (D)				Total Compensation and ratio of Total Compensation(A+B+C+D) to Net Income (%)		Remuneration from re-invested businesses other than subsidiaries
		The Company	Companies in the consolidatedfinancialstatements	The Company	Companies in the consolidatedfinancialstatements	The Company	Companies in the consolidated financialstatements	The Company		Cmpanies in the consolidatedfinancialstatements		The Company	Cmpanies in the consolidatedfinancialstatements	
								Cash	Stock	Cash	Stock			
Acting General Manager and COO(Note1)	Chen Guang-rui	—	3,586	—	—	—	—	—	—	—	—	—	3,586/4.24%	—
Financial Manager	NING,SHENG-FEI	—	2,252	—	—	—	—	—	—	—	—	—	2,252/2.66%	—
Production Management Head	Chen Yu-Feng	—	2,202	—	—	—	—	—	—	—	—	—	2,202/2.60%	—
Shanghai Factory Manager	Zhang,Zhe-Fu	—	2,197	—	—	—	—	—	—	—	—	—	2,197/2.60%	—
Marketing Manager	Sheng Lei	—	2,163	—	—	—	—	—	—	—	—	—	2,163/2.56%	—

Note1. Lin Wei-yuan resigned as general manager on August 27, 2024, and Chief Operating Officer Chen Guang-rui temporarily serves as acting general manager.

(5).Managers with Employee Remuneration Distribution

March 31, 2026;Units:Shares; NT$ Thousand

	Title	Name	Stock Bonus	Cash Bonus	Total	Ratio of Total Amount to Net Income (%)
	Acting General Manager and COO(Note2)	CHEN,GUANG-RUI				
	Audit Manager	ZHANG,ZHE-FU				
	Financial Supervisor	NING,SHENG-FEI				
	Corporate Governance director	SU,TE-JEN				

Note1.On March 10, 2026, the company's board of directors passed a resolution not to distribute remuneration to employees, directors, and supervisors in fiscal year 2025, pending approval by the 2026 shareholders' meeting.

Note2. Lin Wei-yuan resigned as general manager on August 27, 2024, and Chief Operating Officer Chen Guang-rui temporarily serves as acting general manager.

(6) Please implement the comparison and specification for the ratio of total remuneration (paid to the Directors, Supervisors, General Manager and Deputy General Managers of the Company by the Company and all the companies in the consolidated statements in the last two years) to net profit after tax and specify the correlation among the remuneration payment policy, standards and combinations, the procedures for setting the remuneration to the business performance:

①.Analysis of the ratio of total remuneration to net profit after tax

Unit: NT$ Thousand

Year / Title	Ratio of Total Remuneration to Net ProfitafterTax(%)			
	2024		2025	
	Amount	%	Amount	%
Director	4,700	28.09	5,225	6.18
General Manager and Deputy General Managers	7,828	46.78	3,586	4.24

Note: After-tax losses in 2023 , the proportion is not calculated.

②. The remuneration payment policy, standards and combinations,the procedures for setting the remuneration and relevance to operating performance and future risks:

A.The remuneration payment policy, standards and combinations,the procedures for setting the remuneration

The remuneration paid to the Directors should be stipulated with regard to their participation extent to the Company’s operation, the contributed value, the industry standard and other relevant factors as regulated in Article 70 of the Company’s article of incorporation. The Company has established the remuneration committee, and all independent directors are in charge of the committee members. The remuneration payment policy for directors and management team is in accordance with “Regulations of the remuneration paid to directors” as approved by the shareholder’s meetings and the remuneration committee, and is resolved by the remuneration committee by reference to their participation extent to the Company’s operation, the contributed value, and the industry standards, and performance assessment and the remuneration payment policy, system, standard and structure of director and management team are regularly reviewed, and the remuneration of director and management team are regularly evaluated and stipulated as well. Besides, as for the remuneration of general manager and deputy general managers, the group’s “Compensation and benefit system” is referred to and the above “Compensation and benefit system” was approved by the compensation committee on Nov. 3, 2016 and by the board of directors on Dec. 12, 2016. The company provides market-competitive remuneration to attract talents, and sets performance evaluation indicators for managers. The evaluation content includes the contribution to the company based on their positions, and also considers the company's future operating risks and long-term operating results.

B.Relevance to operating performance and future risks

(A)The review of payment standards and systems related to the company's remuneration policy takes the company's overall operating conditions as the main consideration, and determines payment standards based on performance achievement rates and contributions, in order to improve the overall organizational team effectiveness of the board of directors and management departments. We also refer to industry salary standards to ensure that the company's management remuneration is competitive in the industry so as to retain outstanding management talents.

(B)The performance targets of the company's managers are combined with "risk control" to ensure that possible risks within the scope of responsibility can be managed and prevented, and the results of the ratings are based on actual performance and linked to relevant human resources and related salaries. Compensation Policy. Important decisions of the company's management are made after balancing various risk factors. The performance of relevant decisions is reflected in the company's profitability, and the remuneration of the management is related to the performance of risk control.

(C)The remuneration paid to directors, general managers and deputy general managers by the company and its subsidiaries includes long-term rewards, and the payment is in the form of cash or stocks. The actual value of the stocks is related to the future stock price, which means that the company shares future operating risks with the company.

3. Corporate Governance Status

(1)Operation of the board meeting

A total of 8 (A) meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows:

:

Title	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) [B/A]	Remarks
Chairman	WEI YUANE INDUSTRIAL CO., LTD. Representative LIN,WEI-YUAN	8	0	100%	
Director	WEI YUANE INDUSTRIAL CO., LTD. Representative LIN,HAN-WEI	6	2	75%	
Director	Si Yuan Investment Co., Ltd. Representative LIN,MEI-YING	7	1	88%	
Director	Si Yuan Investment Co., Ltd. Representative LIN,XIAN-PING	5	3	63%	
Independent Director	WANG,SHU-CAI	8	0	100%	
Independent Director	CAI,JIN-LONG	8	0	100%	
Independent Director	CHANG,CHUN-PO	2	0	100%	Note1
Independent Director	LING,TIAN-SHENG	6	0	100%	
Independent Director	PAN,YI-SHAN	6	0	100%	

Note1：At the annual general meeting of shareholders on May 23, 2025, the Company held a board re-election. Independent director CHANG,CHUN-PO was removed from office upon the expiration of his term, and independent directors LING,TIAN-SHEN and PAN,YI-SHAN were elected and took office.

Other matters to be recorded:

1. If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1)Matters listed in Article 14-3 of the Securities Exchange Act.

	Date	Move content	Opinions of all independent directors	Handling to the independent directors	
	2025.03.06	1.The company's 2025 certification accountant appointment and remuneration and the 2024 appointment of an accounting firm to provide professional services, evaluation of independence, eligibility and main remuneration and service content case. 2.The 2024 Business Report and Financial Statements. 3.The Proposal for 2024 Deficit Compensation Statement. 4.Accumulated deficits reaching one half of Paid-in capital of 2024. 5.The proposal on both the Company's "Internal Control System Effectiveness Assessment" and the issuance of its "Internal Control System Statement" for 2024. 6.An evaluation on whether or not to transfer funds loan of following: As of Dec. 31, 2024, the Company's account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 7. The performance evaluation on the Company's directors/managers, plus their remuneration policies, systems, standards and structures, as well as individual remunerations. 8.Proposal 13 of the twelfth meeting of the fourth board of directors of the company on March 14, 2024 is not to be handled, and one method is to be used to handle the case of private placement of ordinary shares or private placement of convertible corporate bonds at one time. 9.The company intends to choose one method to handle private placement of ordinary shares or private placement of convertible corporate bonds at one time. 10.Amendments to some of the articles of the Company's "Memorandum of Association and Articles of Association". 11.Full re-election of the company's directors. 12.Proposal to lift the non-competition restriction on new directors and their representatives.	No discrete opinions shown and approved by the attended independent directors for proposal	-	
	2025.05.08	1.An evaluation on whether or not to transfer funds loan of following: As of Mar. 31, 2025, the Company's account receivables/other	No discrete opinions shown and approved by	-	

		receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 2.Proposed authorization for the chairman to convene and establish a "Sustainable Development Working Group".	the attended independent directors for proposal		
	2025.05.23	1.Election of Chairman of the Board. 2.Appointment of Members of the Fourth Audit Committee. 3.Appointment of Members of the Fourth Remuneration Committee.	No discrete opinions shown and approved by the attended independent directors for proposal	-	
	2025.08.26	1.The Company's consolidated financial statements for the second quarter of 2025 2.As of June 30, 2025, if the company's account receivables/other receivables/prepayments/deposits exceed the normal credit/transaction period for more than three months and the amount is significant, evaluate whether to transfer Listed funds loan case. 3.Approval of the 2024 Sustainability Report 4.Appointment of the Company's Chief Cybersecurity Officer and Cybersecurity Personnel. 5.Adjustment of the Company's Chief Corporate Governance Officer position.	No discrete opinions shown and approved by the attended independent directors for proposal	-	
	2025.11.11	1.The amount of year-end bonuses issued for the Group's managers in 2025. 2.The Company drafted an annual audit plan for 2026. 3.An evaluation on whether or not to transfer funds loan of following: As of Sept. 30, 2025, the Company's account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 4.Approved the Company's annual budget for 2026.	No discrete opinions shown and approved by the attended independent directors for proposal	-	
	2026.02.13	1.The company plans to proceed with the 2026 cash capital increase and issuance of new shares.	No discrete opinions shown and approved by the attended independent directors for proposal	-	
	2026.03.10	1.The company's 2026 certification accountant appointment and remuneration and the 2025 appointment of an accounting firm to provide	No discrete opinions shown and approved by	-	

	professional services, evaluation of independence, eligibility and main remuneration and service content case. 2.The 2025 Business Report and Financial Statements. 3.The Proposal for 2025 Deficit Compensation Statement. 4.Accumulated deficits reaching one half of Paid-in capital of 2025. 5.The proposal on both the Company's "Internal Control System Effectiveness Assessment" and the issuance of its "Internal Control System Statement" for 2025. 6.An evaluation on whether or not to transfer funds loan of following: As of Dec. 31, 2025, the Company's account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 7. The performance evaluation on the Company's directors/managers, plus their remuneration policies, systems, standards and structures, as well as individual remunerations. 8.Proposal 9 of the sixteenth meeting of the fourth board of directors of the company on March 6, 2025 is not to be handled, and one method is to be used to handle the case of private placement of ordinary shares or private placement of convertible corporate bonds at one time. 9.Amendments to some of the articles of the Company's "Memorandum of Association and Articles of Association". 10.By assisting our company in complying with the laws of the Republic of China regarding the appointment and contract of the lead underwriter.	the attended independent directors for proposal		
2026.04.14	1.The company intends to choose one method to handle private placement of ordinary shares or private placement of convertible corporate bonds at one time.. 2.Revisions to "the Rules and Procedures Governing Shareholders' Meeting".	No discrete opinions shown and approved by the attended independent directors for proposal	-	

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

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

(1) In the discussion of the performance assessment and the remuneration payment policy, system, standard and structure and the remuneration of the directors and management team in the board meeting held on Mar. 6, 2025, except of the director Mr. Lin, Wei-Yuan for

avoidance of interests, all other attended directors had no discrete opinions and the proposal was approved through the inquiry by the deputy chairperson.

(2) In the discussion of the 2025 proposal of year-end bonus distribution of the management team in the board meeting held on Nov.11, 2025, except of the director Mr. Lin, Wei-Yuan for avoidance of interests, all other attended directors had no discrete opinions and the proposal was approved through the inquiry by the deputy chairperson.

(3)In the discussion of the performance assessment and the remuneration payment policy, system, standard and structure and the remuneration of the directors and management team in the board meeting held on Mar. 10, 2026, except of the director Mr. Lin, Wei-Yuan for avoidance of interests, all other attended directors had no discrete opinions and the proposal was approved through the inquiry by the deputy chairperson.

3.TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out “Implementation Status of Board Evaluations.”: Please detail the table.

4. Measures taken to strengthen the functionality of the board: The Board ofDirectors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties:

(1) The goals for strengthening the board’s functions

①.Corporate governance implementation: The Company has stipulated “Regulations of the board meeting” and “Election procedures of the director”, and the board operation follows these regulations and the current law, and the members participate in relevant trainings and educations according to the regulations of promotion of the educations for directors and supervisors. The Company has elected three independent directors and has established the audit committee as well to improve the corporate governance efficiency.

②.Strengthen the performance assessment of the board: The Company has stipulated “Self and peer assessment for board of directors” in order to implement the corporate governance and promote the operation efficiency of board of directors, and the assessment results are reported annually to the board meeting held for the most recent time in the next year. So far, the Company has completed the performance assessments of the board of directors and reported to the board meeting for 2025. According to the assessment result, the Company’s board of director in 2025 operates well and the space forreview and improvement is not revealed yet.

③.Promote the information transparency: Various information as demanded by the law is disclosed timely in the Market Observation Post System(MOPS) and the company website. Besides, to establish the Company’s good internal material information handling and the disclosure mechanism to prevent information from leaking out, “Operations for handling internal material information” are stipulated and approved by the board to fulfill the fair principle of symmetry information.

④. Fulfilling the function of the remuneration committee: The Company has established the compensation committee and proposed the approved resolution to the board of directors, and through the board discussion all proposals were approved with no discrete opinions.

(2) Assessment of the implementation: The Company keeps the integrity principle, and discloses the operation results completely, hence after assessment for goals of strengthening the board’s function, the shareholder’s rights could be protected thereby.

Evaluation for the board meeting：

Evaluation period	Evaluation duration	Evaluation Scope	Evaluation Methodology	Evaluation Content
Once every year	Jan.1,2025 to Dec. 31, 2025.	Board meeting	Internal self-appraisal	1. Participation for the Company's operation 2. Improvement of the resolution quality of board meeting 3. Constitution and structure of the board meeting 4. Election and continuous training of directors 5 Internal control
Once every year	Jan.1,2025 to Dec. 31, 2025.	Individual board member	Board member self-appraisal	1.Company objective and mission handling 2 Occupation responsibility of the director 3.Participation extent for the company’s operation. 4.Internal relationship management and communication 5 Director profession’s continuous training. 6.Internal control
Once every year	Jan.1,2025 to Dec. 31, 2025.	Functional member	Committee member self-appraisal	1.Participation extent to the Company operation 2.Knowledge of occupational responsibility of functional committee 3.Improving resolution quality of functional committee. 4.Constitution of functional committee and election for responding member 5.Internal control

(2) Operation status of the audit committee or the board meeting participation by supervisors:

①. Operation of the audit committee:

A total of 8 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Actual no. of meetings Attended(B)	No. of meetings with entrusted attendance	Actual attendance rate(%)(B/A)	Remark
Independent director	WANG,SHU-CAI	8	0	100%	
Independent director	CAI,JIN-LONG	8	0	100%	
Independent director	CHANG,CHUN-PO	2	0	100%	Note1
Independent director	LING,TIAN-SHENG	6	0	100%	
Independent director	PAN,YI-SHAN	6	0	100%	

Note1：At the annual general meeting of shareholders on May 23, 2025, the Company held a board re-election. Independent director CHANG,CHUN-PO was removed from office upon the expiration of his term, and independent directors LING,TIAN-SHEN and PAN,YI-SHAN were elected and took office.

Other matters to be recorded:

1. If any of the following circumstances occurs in the operation of the audit committee, please indicate the date of the board meeting,the session number, the contents of the motion, the resolution of the audit committee and the Company’s handling of the opinions of the audit committee:

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

Date	Move content	Resolution	Handling to the audit committee’s opinions
2025.03.06	1.The company's 2025 certification accountant appointment and remuneration and the 2024 appointment of an accounting firm to provide professional services, evaluation of independence, eligibility and main remuneration and service content case. 2.The 2024 Business Report and Financial Statements.	No discrete opinions shown and approved by the attended committee members for proposal	-

		3.The Proposal for 2024 Deficit Compensation Statement. 4.The proposal on both the Company’s "Internal Control System Effectiveness Assessment" and the issuance of its "Internal Control System Statement" for 2024. 5.An evaluation on whether or not to transfer funds loan of following: As of Dec. 31, 2024, the Company’s account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 6.Proposal 13 of the twelfth meeting of the fourth board of directors of the company on March 14, 2024 is not to be handled, and one method is to be used to handle the case of private placement of ordinary shares or private placement of convertible corporate bonds at one time. 7.The company intends to choose one method to handle private placement of ordinary shares or private placement of convertible corporate bonds at one time. 8.Amendments to some of the articles of the Company's “Memorandum of Association and Articles of Association”.			
	2025.05.08	1.The company's first quarter 2025 consolidated financial statements. 2.An evaluation onwhether or not to transfer funds loan of following: As of Mar. 31, 2025, the Company’s account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 3. Proposed authorization for the chairman to convene and establish a "Sustainable Development Working Group".	No discrete opinions shown and approved by the attended committee members for proposal	-	
	2025.05.23	1.Election of Chairman of the Board. 2.Appointment of Members of the Fourth Audit Committee. 3.Appointment of Members of the Fourth Remuneration Committee	No discrete opinions shown and approved by the attended committee members for proposal	-	
	2025.08.26	1.The Company's Consolidated Financial Statements for the First Half of 2025. 2.An evaluation on whether or not to transfer funds loan of following: As of	No discrete opinions shown and approved by	-	

		June 30, 2025, the Company's account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 3.Approval of the 2024 Sustainability Report 4.Appointment of the Company's Chief Cybersecurity Officer and Cybersecurity Personnel. 5.Adjustment of the Company's Chief Corporate Governance Officer position	the attended committee members for proposal		
	2025.11.11	1. The Company's consolidated financial statements for the third quarter of 2025. 2. Drafted the company's 2025 audit plan. 3.As of September 30, 2025, if the company's account receivables/other receivables/advance payments/deposits exceed the normal credit/transaction period for more than three months and the amount is significant, evaluate whether to transfer Listed funds loan case.	No discrete opinions shown and approved by the attended committee members for proposal	-	
	2026.02.13	1.The company plans to proceed with the 2026 cash capital increase and issuance of new shares.	No discrete opinions shown and approved by the attended committee members for proposal	-	
	2026.03.10	1.The company's 2026 certification accountant appointment and remuneration and the 2025 appointment of an accounting firm to provide professional services, evaluation of independence, eligibility and main remuneration and service content case. 2.The 2025 Business Report and Financial Statements. 3.The Proposal for 2025 Deficit Compensation Statement. 4.The proposal on both the Company's "Internal Control System Effectiveness Assessment" and the issuance of its "Internal Control System Statement" for 2025. 5.An evaluation on whether or not to transfer funds loan of following: As of Dec. 31, 2025, the Company's account receivables/other receivables/prepayments/deposited margin exceeds the normal credit	No discrete opinions shown and approved by the attended committee members for proposal	-	

	line/trading period for more than three months with significant amount. 6.Proposal 9 of the sixteenth meeting of the fourth board of directors of the company on March 6, 2025 is not to be handled, and one method is to be used to handle the case of private placement of ordinary shares or private placement of convertible corporate bonds at one time. 7.Amendments to some of the articles of the Company's “Memorandum of Association and Articles of Association”. 8.By assisting our company in complying with the laws of the Republic of China regarding the appointment and contract of the lead underwriter.		
2026.04.14	1.The company intends to choose one method to handle private placement of ordinary shares or private placement of convertible corporate bonds at one time. 2.Revisions to “the Rules and Procedures Governing Shareholders’ Meeting”.	No discrete opinions shown and approved by the attended committee members for proposal	-

(2)Other than the aforementioned matters, other resolutions disapproved by the audit committee yet approved by two-thirds of directors: None.

2. If there are independent directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: None.

3. The communication status between the independent director, and the internal audit supervisor and CPA (which should include material issues, method and results of communications concerning the company’s financial and sale status).

(1)Communication status between the independent directors and the CPAs is as follows:

Date	Communication Issues	Communication Results and Implementation Condition
2025.03.06	Specification for the 2024 financial and loss/profit status.	The CPA discoveries concerning the review method, range for the 2024 annual financial report.
2025.05.08	Proposal of the Company’s 2025 Q1 financial statements.	The CPA discoveries concerning the review method, range for the 2025 Q1 annual financial report.
2025.05.23	The CPA participated in the shareholder’s meeting.	The CPA participated in the shareholder’s meeting to observe its operation.
2025.08.26	Proposal of the Company’s 2025 Q2 financial statements.	The CPA discoveries concerning the review method, range for the 2025 Q2 annual financial report.
2025.11.11	1.Proposal of the Company’s 2025 Q3 financial statements. 2.Role and responsibility,	1.The CPA discoveries concerning the review method, range for the 2025 Q3 annual financial report. 2.Executed by the written mean and the

	audit plan, independency of the CPA.	reply fromthe independent director is acquired.
2026.03.10	Specification for the 2025financial and loss/profit status.	The CPA discoveries concerning the review method, range for the 2025 annual financial report.

(2)Communication status between the independent directors and the audit supervisor is as follows:

Date	Communication Issues	Communication Results and Implementation Condition
2025.03.06	1.Audit implementation report 2.Evaluation of the internal control system effectiveness 3.Statement of the 2024internal control	1.Report the audit implementation status 2.Approval of the evaluation of the internal control system 3.Approval of the statement of the 2024 internal control
2025.05.08	Audit implementation report	Report the audit implementation status
2025.08.26	Audit implementation report	Report the audit implementation status
2025.11.11	1.Audit implementation report 2.Proposal of the 2026 audit plan	1.Report the audit implementation status 2.Approval of the 2026 audit plan
2026.03.10	1.Audit implementation report 2.Evaluation of the internal control system effectiveness 3.Statement of the 2025internal control	1.Report the audit implementation status 2.Approval of the evaluation of the internal control system 3.Approval of the statement of the 2025 internal control

(3)Corporate Governance Status, Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and has the company established and disclosed its own Corporate Governance Best Practice Principles?	V		The Company has stipulated its Corporate Governance Best Practice Principles based on "the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" and has disclosed it on the company website.	No major difference
2. The company's shareholding structure and shareholders' equity （1）Has the company set up internal operating procedures to handle shareholder proposals, doubts, disputes and litigation matters and followed the procedures? （2）Does the company have a list of its major shareholders and the ultimate controllers of the major shareholders? （3）Has the company established and implemented risk management and firewall mechanisms with its affiliates? （4）Has the company set up an internal standard to prohibit the insiders' use of private information to trade securities?	V V V V		（1）The Company handles the shareholder's proposals, disputes or so on by its spokesman and acting spokesman, and the Company's stock transfer agency "Fubon Securities Co., Ltd. Stock Transfer Agency Department" also assists the shareholder and interest parties to handle relevant doubts, proposals, etc. （2）The Company is well acquainted with its major shareholders controlling the Company substantially at all time, and has good relationships with the major shareholders. （3）The Company has established "Regulations of financial and sales businesses among affiliates", and assets, financial managements of each affiliate are mutually independent, and risk management and firewall mechanisms are firmly conducted based on the regulations.	No major difference No major difference No major difference No major difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			(4) The Company has stipulated "Operation Procedures of the internal material information handling" and "Management operation procedures protecting insider trades" to prevent information from leaking out and has assured the consistency and correctness of disclosed information by the Company.	
3. The composition and duties of the board of directors (1) Has the board of directorsformulated a diversifiedapproach based on thecomposition of its membersand implemented it? (2) Has the company set up other types of functional committees voluntarily in addition to the remuneration committee and the audit committee according to law? (3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V V V V		(1) The Company has eight directors currently, including four independent director seats, and has formulated a diversified approach in "Election procedures of directors" and implemented it. (2) The Company may establish other functional committees with considerations of the actual operation status and laws and regulations in additional to the remuneration committee and the audit committee according to the law. (3) The Company has established the "self and peer appraisal for board of directors", and will implement performance assessment based on self and peer appraisals for board of directors, functional committees and individual directors annually in the future. The Company has reported the assessment result of "Questionnaire of board of directors' performance self-appraisal" on the board meetings held on March. 6, 2025 and March. 10,	No major difference No major difference No major difference No major difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of its certifying accountants?			2026. (4) The Company has approved of appointing the CPA's firm to provide professional services, as well as proposals of independence and competence assessments and primary remuneration and service content through audit committee meeting and board meeting held on Mar. 6, 2025 and Mar. 10, 2026 respectively.	
1. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		The Company has set head of Corporate Governance and Board Secretary to handle the corporate governance related affairs.	No major difference
2. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and	V		(1) The Company has established spokesman and acting spokesman to serve as communication channel between the Company and interested parties, and has set up an interested party page on the company's website to respond to important corporate social	No major difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			responsibility issues interested parties concern. Mailbox is placed at employees' clock in space to allow employees to write to management team, and staff of the Management Department is responsible for handling the suggestion or feedback for employees. (2) The Company has disclosed contact information of spokesman, acting spokesman, and stock transfer agency, and if shareholders have any questions or comments they could reach for relevant personnel directly via telephone, written means or e-mails.	
6. Does the company appoint a professional stock agency to handle shareholders' meeting related affairs?	V		The Company has appointed Fubon Securities Co., Ltd. Stock Transfer Agency Department as the agency for various stock related affairs and institutional handling of shareholder's meeting, and has stipulated "Regulations of stock affairs management" in internal control systems.	No major difference
7. Information disclosure （1） Has the company set up a website to disclose financial and corporate governance information? （2） Does the company adopt other information disclosure methods (such as setting up an English website, appointing a dedicated person responsible for the collection and disclosure of company information, implementing the spokesman system, and posting the company's corporate briefing	V V		(1)Besides disclosing information on MOPS, the Company also discloses businesses and products information of the Company on www.horngshiue.com. (2)The Company has established English website to introduce company products and information alike, and designated a spokesman to be responsible for the collection and disclosure of company information, implemented the spokesman system, disclosed relevant information of irregularly-held corporate briefing process at designated website and had established the	No major difference No major difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
process on the website, etc.)? （3）Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?			spokesman system. (3)The Company has reported annual financial statements within two months after the end of each fiscal year .The Company announced and reported its financial statements for Q1, Q2, and Q3 and filed monthly operating status before the deadline.	
8. Does the Company have any other important information (including but not limited to employees' rights, employee care, investor relations, supplier relationship, rights and of interested parties, training for directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company’s purchase of liability insurance for directors and supervisors, etc.)?	V		(1)Employees’ right: The Company recruits employees based on the authority’s regulations, and keep a clear communication channel, value employee rights and provide good working environment for employees. (2)Employee care: Social insurance, health check for field specific employees, employees’ bonuses, year-end bonuses are conducted based on relevant regulations of the local government to ensure employees’ benefits, and banquets and other recreation activities alike are held irregularly to promote mental and physical health balance. The Company has provided its employees with complaint channel and stipulated complete on-line document management system which specifies various management regulations stating clearly the rights and obligations of employees to protect employees’ rights. (3)Investor relations: The Company keeps clear communication channel and information communication for investors and other interested	No major difference No major difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			parties to respect and protect their rights they deserve. (4)Supplier relationship: The Company keeps the supplier relationship following the integrity principle and by effective mutual communication, the quality, lead time and price are ensured to meet the Company's requirements. (5)The rights of interested parties: The Company's website has set up "Specified zone of interested party" and has disclosed the information on MOPS for interested parties' reference. Clear communication channel and information communication is kept among collaboration banks, employees, clients and suppliers. (6)Training for directors and supervisors: Annual trainings for the Company's directors and supervisors have met the regulations of "Points for promoting trainings for directors and supervisors of public companies",and the training status is disclosed on the MOPS. (7) Implementation of risk management policies and risk measurement standards: The Company has stipulated various internal control systems and internal management regulations in accordance with the law, and the audit staff will propose audit plan annually based on risk evaluations and the plan is submitted to the board of directors for approval, and its implementations are firmly conducted	No major difference No major difference No major difference No major difference No major difference

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			accordingly. The actual audit status and reports are reviewed by independent directors. On the other hand, the Company's departments of concerns will declare and execute the statement of internal control systems after the annual self-appraisals are completed, and they will be disclosed in the annual report for shareholders' meeting.	
			(8) Implementation of customer policies: The Company's Business Affair Department is responsible for customer inquiry and complain channel and keeps a good interaction with customers.	No major difference
			(9) TheCompany's purchase of liability insurance for directors and supervisors The Company has purchased liability insurance for all directors and supervisors and this is disclosed on the MOPS.	No major difference
9. Please state the improvements made to the items in the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd., and indicate the enhancement and improvement measures for the items not yet improved: None.				

(4) If the Company has set up a remuneration committee, it shall disclose its composition, responsibilities and operation:
The Company has set up a Remuneration Committee and enacted its organizational charter pursuant to the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.

A. Professional qualifications and independence analysis of the Remuneration Committee members

Identity	Name / Criteria	Professional qualifications and independence	Number of other public companies where the individual concurrently serves as a remuneration committee member
Independent Director	WANG,SHU-CAI	Please refer to page 9~11 (1) for information on directors ③ Professional Qualifications and Independence Analysis of Directors	–
Independent Director	CAI,JIN-LONG		–
Independent Director	LING,TIAN-SHENG		
Independent Director	PAN,YI-SHAN		–

B. Responsibility of the Remuneration Committee

The Board of Directors of HorngShiue Group has approved the Remuneration Committee Charter in a meeting held on December 20, 2016. The responsibility of said committee is to: the Remuneration Committee shall dutifully perform the following duties as good administrators, and to submit its suggestions to the Board of Directors for deliberation. However, suggestions for the remuneration of Independent Directors may be submitted for deliberation by the Board of Directors only when the Board of Directors is expressly authorized to handle the Independent Directors' remuneration in the Company's Articles of Incorporation or by a resolution of the Shareholders' Meeting:

(a) Establishes and periodically reviews the performance evaluation and policies, system, standards, and structure of the compensations for Directors and managers.

(b)Periodically evaluates and establishes compensations and benefits for Directors and managers.

C. Operational status of the Remuneration Committee:

(a) HorngShiue Group has a Remuneration Committee composed of four (4) members.

(b) Term of office of the current Remuneration Committee: from May 23, 2025 to May 22, 2028. The Remuneration Committee has convened 4 meetings (A) in the most recent year and as of 2025. Attendance and qualifications of the members are disclosed as folllows:

Title	Name(Note)	Actual no. of meeting attended (Ｂ)	No. of meetings with entrusted attendance	Actual attendance rate(%)(Ｂ/Ａ)	Remarks
Convener	WANG,SHU-CAI	4	—	100%	
Member	CAI,JIN-LONG	4	—	100%	
Member	CHANG,CHUN-PO	1	—	100%	
Member	LING,TIAN-SHENG	3	—	100%	
Member	PAN,YI-SHAN	3	—	100%	

Note1：At the annual general meeting of shareholders on May 23, 2025, the Company held a board re-election. Independent director CHANG,CHUN-PO was removed from office upon the expiration of his term, and independent directors LING,TIAN-SHEN and PAN,YI-SHAN were elected and took office.

Other matters to be recorded:

1. If the board of directors did not adopt or amend the suggestion of the remuneration committee, please indicate the date and session number of the board meeting, the contents of the motion, the result of the resolution and the company's handling of the suggestion of the remuneration committee (if the remuneration passed by the board is better than the suggestion of the remuneration committee, please state the difference and the reasons): None.
2. If any member had objections or reservations about the resolution of the remuneration committee and there is a record or a written statement, please indicate the date and session number of the remuneration committee meeting, the contents of the motion, all the opinions of the members and how the opinions were handled:None.

（5）Promote the implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

A.Implementation of sustainable development and differences with the Code of Practice for Sustainable Development of Listed and OTC Companies and their reasons

Evaluation Item	Implementation Status			Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explanation	
1. Does the company set up a sustainable development governance structure and set up a sustainable development professional (part-time) unit, which is authorized by the board of directors to handle the senior management, and the board of directors supervision?	V		The board of directors of the company intends to authorize the chairman to establish a "Sustainable Development Working Group" to be responsible for promoting the operation of sustainable development, including formulating and reviewing sustainable development policies, systems, management guidelines and promotion plans, as well as reviewing actual results, and regularly reporting to the board of directors before the end of each fiscal year.	No major difference
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		The Company has stipulated “Guidance of the practice of corporate social responsibility”, and has implemented corporate social responsibility within its duty range.	No major difference
3.Environmental issues (1)Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(1)The Company has met the local laws relevant to environmental safety and hygiene and certified with ISO14001 certification, and the Company has continued to promote the 6S hygiene and clean management standard and have complete	No major difference No major difference

Evaluation Item	Implementation Status			Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explanation	
(2)Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? (3)Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues? (4)Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V V		regulations for quality management, safety hygiene and environment protection, etc. (2)The Company continuously promotes recycling of various resource such as waste iron, oil and paper to protect the Earth resources (3)The company usually pay attention to energy saving and carbon reduction and greenhouse gas reduction policies (4)The Company has been aware of the management for air-condition temperature and the electricity saving to save electricity in offices and production units.	No major difference
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? (2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V V		(1)The Company has followed local labor laws and regulations to protect each employee's legal rights and contributed appropriately the local social welfare insurance and retirement pension. (2)The Group's major operation location is at China, and conforming to regulations of local labor laws, employees attend social insurance (including pension, medical care, birth, industrial injury and unemployment) to protect employee welfare, and	No major difference No major difference

Evaluation Item	Implementation Status			Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explanation	
			we provide welfare measures such as serving meals for employees, high temperature subsidies for production line employees, festival surcharge, wedding and death subsidies. Besides, employees have leaves such as mandatory holidays, marital and funeral leaves, annual leaves and maternity leaves. Other than holding birthday parties every month to condense employees'emotions, the Company also grants substantial allowances such as year-end bonus and performance bonus to motivate employees.	No major difference
(3) Does the companyprovide a healthy and safe working environment and organize training on health andsafety for its employees on a regular basis?	V		(3)The Company implements safety and health education for specific employees on a regular basis to ensure the employees' hygiene and safety.	No major difference
(4) Does the company provide its employees with career development and training sessions?	V		(4)The Company provides the employees an effective internal training program and external education irregularly to enrich their working abilities.	No major difference
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		(5)The Company has implemented them in accordance with relevant laws and regulations.	No major difference No major difference

<table>
<tr><td rowspan="2">Evaluation Item</td><td colspan="3">Implementation Status</td><td rowspan="2">Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons</td></tr>
<tr><td>Yes</td><td>No</td><td>Abstract Explanation</td></tr>
<tr><td>(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results?</td><td>V</td><td></td><td>(6)The Company has implemented the supplier management and will enhance the restriction considering the future operation development. However, once violation in its corporate social responsibility and a significant impact on the environment and society thereby is found, the procurement department of the Company will review the supplier again to implement the corporate social responsibility strategy.</td><td></td></tr>
<tr><td>5.Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?</td><td></td><td>V</td><td>The company plans to prepare and submit the 2025 perpetual report this year (2026), so the report has not been prepared as of the date of publication of the annual report.</td><td>Remain to be discussed</td></tr>
<tr><td colspan="5">6.If the company has its own corporate social responsibility code in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, please describe the difference between its operation and the prescribed code: The Company has stipulated the ”Guidance of Practice of corporate social responsibility” based on “the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies」, and no major difference has occurred.</td></tr>
<tr><td colspan="5">7. Other important information to help understand the operation of corporate social responsibility:
(1) The Company has clear communication channel for interested parties such as employees’ rights, supplier, collaboration banks, customers, investors, and has provided good job opportunities for local people.
(2) The Company executes the management according to the law regarding to the environment conservation, please refer to the environment conservation expenditure.</td></tr>
</table>

Evaluation Item	Implementation Status			Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explanation	
(3) Human rights: All employees of the Company are equal regardless of their genders, religions or political parties, and the Companyhas created a good working environment to assure that the employees are free of discriminations and harassments				

B. Climate related information

Item	Implementation
1.Describe the board's and management's oversight and governance of climate-related risks and opportunities.	1.The company has not yet set up a relevant climate management committee.
2.Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term and long-term).	2.As of the date of publication of the annual report, the Company has not yet identified climate risks and opportunities.
3.Describe the financial impact of extreme climate events and transformation actions.	3.As of the date of publication of the annual report, the Company has not yet identified the financial impact of extreme climate events and transformation actions.
4.Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.	4.As of the date of publication of the annual report, the Company has not yet formulated how to integrate the identification, assessment and management process of climate risks into the overall risk management system.
5.If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	5.As of the date of publication of the annual report, the Company has not yet used scenario analysis to assess its resilience to climate change risks.

Item	Implementation
6.If there is a transformation plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transformation risks. 7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained. 8.If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, the annual progress achieved and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon reduction credits or the number of renewable energy certificates (RECs) used should be explained. 9.Greenhouse gas inventory and confirmation of status and reduction targets, strategies and specific action plans	6.As of the date of publication of the annual report, the Company has not yet formulated a transformation plan to manage climate-related risks. 7.As of the date of publication of the annual report, the Company has not yet used internal carbon pricing. 8.As of the date of publication of the annual report, the Company has not yet set any climate-related targets. 9.As of the date of publication of the annual report, our company did not meet certain conditions and therefore is not applicable.

（6）Implementation of Integrity Management

Evaluation Item	Implementation Status			Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
1. Setting business integrity policies and programs (1) Doesthe company havea Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate	V		(1) The Company has stipulated “guidelines of integrity management” and ”Operation procedure and behavior guidelines of	No major difference

Evaluation Item	Implementation Status			Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy? (2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies? (3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V V		integrity management", and all board directors and management team actively implement the above integrity management regulations. (2) All board members and colleagues follow the integrity regulations, and any violence is subjected to disciplines based on relevant laws and the employee's manual. (3) The Company states clearly in Article 8 of "Guidelines of integrity management" that forbids any business activities with risk of dishonesty.	No major difference No major difference
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts r? (2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical	V V		(1) Before doing businesses with the business partner, the Company has evaluated its legitimacy and whether it has involved in dishonest behaviors to avoid doing business with those involved with dishonest behaviors. (2) The Company has appointed the internal audit office to regularly audit the implementation of corporate integrity management, and include it	No major difference No major difference

Evaluation Item	Implementation Status			Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?			into the audit plan and make the audit report to be reported to the board.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) The Company has regulated that directors and management team should prevent conflicts of interest if they are aware of the conflict as they are doing the company business, and the Company has stipulated relevant handling procedures for conflicts of interest in “Guidelines of integrity management”.	No major difference
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4) The Company’s internal auditers regularly audit the internal control system and accounting system.	No major difference
(5)Does the company regularly hold internal and external educational trainings on operational integrity?	V		(5) The Company irregularly promotes business policies relevant to business integrity at meetings to strengthen business integrity vision for all members of the groups.	No major difference
3. Operation of the integrity channel (1) Does the company establish both a	V		(1) The company has established management	No major difference

Evaluation Item	Implementation Status			Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures? (3) Does the company provide proper whistleblower protection?	V V		measures such as the "Code of Integrity Business Operations", "Integrity Business Operation Procedures and Behavior Guidelines" and "Ethical Code of Conduct", and has an internal independent reporting mailbox and dedicated hotline to encourage internal and external personnel to report dishonest or inappropriate behavior. , as an employee grievance mechanism and channel. The audit office is the unit responsible for accepting reports (report mailbox: nick@horngshiue.com, responsible person for accepting reports: Audit Supervisor Manager Zhang Zhe-fu), and assigns appropriate personnel to handle reports.. (2) For reported matters, the audit department will conduct investigations confidentially according to the Company's internal procedure. (3)The reporter identity and the report content are kept to secret.	No major difference No major difference
4. Strengthening of Information Disclosure Does the company disclose the contents of its Code for Business Integrity and the effectiveness on its website and MOPS?	V		The Company has established website to disclose relevant information of business integrity.	No major difference

Evaluation Item	Implementation Status			Differences with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
5. If the Company has its own Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies", please describe the difference between them: The Company has stipulated “Guidelines of integrity management” in accordance with the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies", and relevant operation has no major difference with the stipulated guideline.				
6. Other important information that will help to understand the operation of the company's integrity: (such as the company reviews and revises the stipulated business integrity guidelines, and so on.) （1）The Company always follows the business integrity belief as doing business with customers and suppliers, and the Company also strengthens the promotion to its employees. （2）The Company abides by the Company Law, the Securities Exchange Act, the Commercial Account Law, relevant regulations for public companies or other business behaviors, serving as the base of implementation of business integrity. （3）The Company has stipulated the system for avoidance of interests for directors in “Regulations of the board meeting”, and acting on the behalf of other directors to exercise their voting rights is not allowed. （4）The Company has stipulated “Management of avoiding insider trade”, stating that the Company’s directors, supervisors, management team and employees are not allowed to inquire to people having the knowledge of the Company’s internal material information or collect undisclosed internal material information of the Company irrelevant to their works, and not allowed to disclose to others about undisclosed internal material information acquired not by implementing their businesses.				

（7）Other important information to enhance the understanding of the corporate governance of the Company: None.

（8）Implementation status of internal control system

①. Internal Control Statement please refer to Page 49.

②.The accountant’s project audit report concerning the auditing of internal control system: None.

Statement of Internal Control System

Date: March 10, 2026

The internal control system from January 1 to December 31, 2025, according to the result of self-assessment is thus stated as follows:

1.The Company acknowledges that the establishment, implementation and maintenance of internal control systemare responsibilities of Board of Directors and management, and the Company has establishedsuchsystem.The internal capital system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability, timeliness and transparency of financial reporting and the compliance of applicable law and regulations are achieved.

2. The internal control system has its innate restriction. An effective internal control system can only ensure the foregoing three goals are achieved regardless of how well the system was designed; nevertheless, due to the change of environment and conditions, the effectiveness of internal control system will be changed accordingly. However, the internal control system of the Company has self-monitoring function and the Company will take corrective action once any defect is identified.

3. According to the effective judgment items for the internal control system specified in “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “Regulations”), the Company has made judgment whether or not the design and execution of Internal Control System is effective. The judgment Items for internal control system adopted by “Regulations” are, based on the process of management control, for classifying the internal control system into five elements: 1.Control environment; 2.Risk assessments; 3.Control activities; 4.Information and communication; and 5.Monitoring activities. Each element further includes several items. For the foregoing items, refer to “Regulations”.

4. The Company has adopted the aforesaid judgment items for internal control system to evaluate the effectiveness of design and execution of internal control system.

5. Based on the above-mentioned result of evaluation, the Company suggests that the internal control system (including the monitoring and management for subsidiaries) as of December 31, 2025, including the design and execution of internal control relating to the effectiveness and efficiency of operation, the reliability, timeliness and transparency of financial reporting, and the compliance of applicable law and regulations has been

effective and they can reasonably assure the aforesaid goals have been achieved.

6. This statement will be the main content for annual report and prospectus and will be disclosed publicly. If the above contents have any falsehood and concealment, it will involve in the liability as mentioned in Article 20, 32, 171 and 174 of Securities and Exchange Law.

7. This statement has been approved by the meeting of Board of Directors on March 10, 2026, and those 8 directors including entrusted to attend in presence all agree at the contents of this statement.

HORNG SHIUE HOLDING Co., Ltd.

Chairman: Lin, Wei-Yuan

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

1.Shareholder’s meeting

Date	Important Resolutions
2025.05.23	1. The Company's 2024 Business Report and Financial Statements. 2. The Company's 2024 Deficit Compensation Statement. 3. The company intends to choose one method to handle private placement of ordinary shares or private placement of convertible corporate bonds at one time.. 4. Amended Articles of “the Articles of Association” .. 5. The company elects eight directors (including four independent directors).. 6. Proposal for Release the Prohibition on Directors from Participation in Competitive Business.

2.Board meeting

Date	Important Resolutions
2025.03.06	1.The company's 2025 certification accountant appointment and remuneration and the 2024 appointment of an accounting firm to provide professional services, evaluation of independence, eligibility and main remuneration and service content case. 2.The 2024 Business Report and Financial Statements. 3.The Proposal for 2024 Deficit Compensation Statement. 4.Accumulated deficits reaching one half of Paid-in capital of 2024. 5.The proposal on both the Company’s "Internal Control System Effectiveness Assessment" and the issuance of its "Internal Control System Statement" for 2024. 6.An evaluation on whether or not to transfer funds loan of following: As of Dec. 31, 2024, the Company’s account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 7. The performance evaluation on the Company’s directors/managers, plus their remuneration policies, systems, standards and structures, as well as individual remunerations. 8.Proposal 13 of the twelfth meeting of the fourth board of directors of the company on March 14, 2024 is not to be handled, and one method is to be used to handle the case of private placement of ordinary shares or private placement of convertible corporate bonds at one time. 9.The company intends to choose one method to handle private placement of ordinary shares or private placement of convertible corporate bonds at one time. 10.Amendments to some of the articles of the Company's “Memorandum of Association and Articles of Association”. 11.Full re-election of the company's directors. 12.Proposal to lift the non-competition restriction on new directors and their representatives.
2025.05.08	1.An evaluation on whether or not to transfer funds loan of following: As of Mar. 31, 2025, the Company’s account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 2. Proposed authorization for the chairman to convene and establish a "Sustainable Development Working Group".
2025.05.23	1.Election of Chairman of the Board.

Date	Important Resolutions
	2.Appointment of Members of the Fourth Audit Committee. 3.Appointment of Members of the Fourth Remuneration Committee.
2025.08.26	1.The Company's consolidated financial statements for the second quarter of 2025 2.As of June 30, 2025, if the company's account receivables/other receivables/prepayments/deposits exceed the normal credit/transaction period for more than three months and the amount is significant, evaluate whether to transfer Listed funds loan case. 3.Approval of the 2024 Sustainability Report 4.Appointment of the Company's Chief Cybersecurity Officer and Cybersecurity Personnel. 5.Adjustment of the Company's Chief Corporate Governance Officer position. .
2025.11.11	1.The amount of year-end bonuses issued for the Group’s managers in 2025. 2.The Company drafted an annual audit plan for 2026. 3.An evaluation on whether or not to transfer funds loan of following: As of Sept. 30, 2025, the Company’s account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 4.Approved the Company's annual budget for 2026.
2026.02.13	1 The company plans to proceed with the 2026 cash capital increase and issuance of new shares.
2026.03.10	1.The company's 2026 certification accountant appointment and remuneration and the 2025 appointment of an accounting firm to provide professional services, evaluation of independence, eligibility and main remuneration and service content case. 2.The 2025 Business Report and Financial Statements. 3.The Proposal for 2025 Deficit Compensation Statement. 4.Accumulated deficits reaching one half of Paid-in capital of 2025. 5.The proposal on both the Company’s "Internal Control System Effectiveness Assessment" and the issuance of its "Internal Control System Statement" for 2025. 6.An evaluation on whether or not to transfer funds loan of following: As of Dec. 31, 2025, the Company’s account receivables/other receivables/prepayments/deposited margin exceeds the normal credit line/trading period for more than three months with significant amount. 7. The performance evaluation on the Company’s directors/managers, plus their remuneration policies, systems, standards and structures, as well as individual remunerations. 8.Proposal 9 of the sixteenth meeting of the fourth board of directors of the company on March 6, 2025 is not to be handled, and one method is to be used to handle the case of private placement of ordinary shares or private placement of convertible corporate bonds at one time. 9.Amendments to some of the articles of the Company's “Memorandum of Association and Articles of Association”. 10.By assisting our company in complying with the laws of the Republic of China regarding the appointment and contract of the lead underwriter.
2026.04.14	1 The company intends to choose one method to handle private placement of ordinary shares or private placement of convertible corporate bonds at one time. 2. Revisions to “the Rules and Procedures Governing Shareholders’ Meeting”.

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

4. Accountant Fees

(1)If the non-audit fees paid to the certifying CPA, the CPA's firm and the firm's affiliated businesses are more than 25% of the audit fees, please disclose the audit and non-audit fees and the nonaudit services:

Accounting firm	CPA name		Audit period	Remarks
PricewaterhouseCoopers Taiwan	Chen,Chin-Chang	Liao, Fu-Ming	Year 2025	—

Amount Unit：NT$ Thousand

Tier	Fee item	Audit fee	Non-audit fee	Total
1	Lower than 2,000,000			
2	2,000,000 (inclusive) - 4,000,000	3,800		3,800
3	4,000,000 (inclusive) - 6,000,000			
4	6,000,000 (inclusive) - 8,000,000			
5	8,000,000 (inclusive) - 10,000,000			
6	10,000,000 and more			

Unit: NT$ thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
PricewaterhouseCoopers Taiwan	Chen, Chin-Chang Liao, Fu-Ming	3,800	—	—	—	—	—	2025/1/1~ 2025/12/31	

(2) Payment for accountants, accountants affiliated, and its non -audit public funds for non -audit funds to account for more than a quarter of the audited fee : Please refer to 5.Accountant Fees (1).

(3) If there is a change of the accounting firm, and in the year of the change the audit fee is less than that in the previous year, please disclose the audit fees before and after the change and the reasons: Nil.

(4) If the audit fee is reduced by more than 10% over that in the previous year, please disclose the amount of audit fee reduced, the proportion and reason for the reduction: The Company's audit fee reduction of 2025 to 2024 has not reached over 10%.

5. Change of Accountant in the recent two years and after its period: Nil.

6. The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Auditing CPA Firm or Its Affiliated Businesses in

the Past Year: For the Company such case has not happened.

7. Particulars about Changes in Shareholding and Share Pledge of Directors, Supervisors,Managers and Shareholders Holding More than 10% of the Company's Shares in the Past Year and as of the Date of Publication of the Annual Report:

(1) Changes in Shareholding and Share Pledgeof Directors, Supervisors, Managers and Shareholders Holding More than 10% of the Company’s Shares

Unit: share

Title	Name	2025		As of March 27, 2026.	
		Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease) Shareholding	Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease) Shareholding
Chairman and major shareholder	WEI YUANE INDUSTRIAL CO., LTD. Representative: LIN,WEI-YUAN	–	–	–	–
Director and major shareholder	WEI YUANE INDUSTRIAL CO., LTD. Representative: LIN,HAN-WEI	–	–	–	–
Director and major shareholder	Si Yuan Investment Co., Ltd. Representative: LIN,MEI-YING	–	–	–	–
Director and major shareholder	Si Yuan Investment Co., Ltd. Representative: LIN,XIAN-PING	–	–	–	–
Independent director	WANG,SHU-CAI	–	–	–	–
Independent director	CAI,JIN-LONG	–	–	–	–
Independent director	CHANG,CHUN-PO(Note1)	–	–	–	–
Independent director	LING,TIAN-SHENG(Note1)	–	–	–	–
Independent director	PAN,YI-SHAN(Note1)	–	–	–	–
Acting General Manager and COO (Note2)	CHEN,GUANG-RUI	–	–	–	–
Financial Supervisor	NING,SHENG-FEI	–	–	–	–
Audit Manager	ZHANG,ZHE-FU	8,000	–	–	–
Head of Corporate Governance	HUANG,CHUN-MEI (Note3)	–	–	–	–
Head of Corporate Governance	SU, TE-JEN. (Note3)	–	–	–	–
Head of Corporate Governance	KANG, KANG(Note4)	–	–	–	–

Note1：At the annual general meeting of shareholders on May 23, 2025, the Company held a board re-election. Independent director CHANG,CHUN-PO was removed from office upon the expiration of his term, and independent directors LING,TIAN-SHEN and PAN,YI-SHAN were elected and took office.

Note2：Lin Wei-yuan resigned as general manager on August 27, 2024, and Chief Operating Officer Chen Guang-rui temporarily serves as acting general manager.

Note 3. On August 26, 2025, the Company's Board of Directors resolved to adjust the position of Chief Corporate Governance Officer, replacing Huang, Chun-mei with Su, Te-Jen.

Note 4. On August 26, 2025, the Company's Board of Directors resolved to appoint a Cybersecurity Specialist Officer, who is currently appointed as Kang, Kang.

(2)If the Respondent of Changes in Shareholding and Share Pledge is Related Person, the information is disclosed: Nil.

8. Information about the top 10 shareholders who are interested parties,spouses or relatives within two degrees of kinship

March 27, 2026;Unit: share;%

Name	Own shareholding		Shareholding of the spouse and minor children		Shareholding in other people's names		Name and relationship of top 10 shareholder who has the interested-party, spouse or relatives within two degrees of kinship relationship		Remarks
	Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %	Name	Relationship	
WEI YUAN INDUSTRIAL CO., LTD.	6,225,000	8.97	—	—	—	—	LIN,WEI-YUAN	WEI YUANE INDUSTRIAL CO., LTD. Director	—
							DAI,YU-HUA	WEI YUANE INDUSTRIAL CO., LTD. Director	
Representative: LIN,WEI-YUAN	3,662,662	5.28	2,250,338	3.24	6,225,000	8.97	WEI YUAN INDUSTRIAL CO., LTD.	LIN,WEI-YUAN is the director of WEI YUAN INDUSTRIAL CO., LTD.	—
							Famous Season Limited	LIN,WEI-YUA is the director of Famous Season Limited	
							DAI,YU-HUA	Spouse	
Representative: LIN,HAN-WEI	—	—	—	—	—	—	—	—	—
Si Yuan Investment Co., Ltd.	6,000,000	8.65	—	—	—	—	LIN,MEI-YING	Si Yuan Investment Co., Ltd., Director	—
Representative: LIN,MEI-YING	1,388,000	2.00	—	—	6,000,000	8.65	Si Yuan Investment Co., Ltd.	LIN,MEI-YING is the director of Si Yuan Investment Co., Ltd.	—
							LIN,XIAN-PING	Sister and brother	
Representative: LIN,XIAN-PING	—	—	—	—	—	—	LIN,MEI-YING	Sister and brother	—
LIN,WEI-YUAN	3,662,662	5.28	2,250,338	3.24	6,225,000	8.97	WEI YUAN INDUSTRIAL CO., LTD.	LIN,WEI-YUAN is the director of WEI YUAN INDUSTRIAL CO., LTD.	—
							Famous Season Limited	LIN,WEI-YUA is the director of Famous Season Limited	
							DAI,YU-HUA	Spouse	
DAI,YU-HUA	2,250,338	3.24	3,662,662	5.28	—	—	WEI YUANE INDUSTRIAL CO., LTD.	DAI,YU-HUA is the director of WEI YUANE INDUSTRIAL CO., LTD.	—
							LIN,WEI-YUAN	Spouse	
LIN, YU-HENG	1,779,415	2.56	—	—	—	—	—	—	—

Name	Own shareholding		Shareholding of the spouse and minor children		Shareholding in other people's names		Name and relationship of top 10 shareholder who has the interested-party, spouse or relatives within two degrees of kinship relationship		Remarks
	Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %	Name	Relationship	
Famous Season Limited	1,500,000	2.16	—	—	—	—	LIN,WEI-YUAN	the director of Famous Season Limited	—
Representative: LIN,WEI-YUAN	3,662,662	5.28	2,250,338	3.24	6,225,000	8.97	WEI YUAN INDUSTRIAL CO., LTD.	LIN,WEI-YUAN is the director of WEI YUAN INDUSTRIAL CO., LTD.	—
							Famous Season Limited	LIN,WEI-YUA is the director of Famous Season Limited	
							DAI,YU-HUA	Spouse	
LIN,MEI-YING	1,388,000	2.00	—	—	6,000,000	8.65	Si Yuan Investment Co., Ltd.	LIN,MEI-YING is the director of Si Yuan Investment Co., Ltd.	—
							LIN,XIAN-PING	Sister and brother	
UIT COMPANY LIMITED	1,161,000	1.67	—	—	—	—	—	—	—
Representative: Shoji Uchida	—	—	—	—	—	—	—	—	—
Horngshiue International Investment Co., Ltd.	1,000,000	1.44	—	—	—	—	—	—	—
Representative: Lin, Po-Yu	—	—	—	—	—	—	—	—	—
Delta Capital Co., Ltd.	997,000	1.44	—	—	—	—	—	—	—
Representative: Liu Liang-Fu	—	—	—	—	—	—	—	—	—

9. Shareholding amount and total shareholding ratio of the Company, the Company's director, supervisors, management, and the directly or indirectly contolled businesses by the Company against the same re-investment business.

March 31 ,2026; Unit: Share

Re-invested businesses (Note 1)	The Company's investment		Investment by directors,supervisors, managers or directlyor indirectly controlled businesses		Total investment	
	Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %
HORNG SHIUE INDUSTRIAL Co., Ltd. ius)	36,000,000	100.00%	—	—	36,000,000	100.00%
ShangHai Horngshiue Industrial Co., Ltd.	Note 2	100.00%	—	—	Note 2	100.00%
Zhejiang Horngshiue Industrial Co., Ltd.	Note 2	100.00%	—	—	Note 2	100.00%

Note 1: The investment of the Company based on the equity method.
Note 2: Is the Limited Corporation without dividends.

IV. Capital Raising Status

1. Capital Source and Dividend

（1）Source of Share Capital

A. Share capital formation process

March,27 2026

Year/ Month	Par Value	Approved Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Others
2015/03	10	150,000	1,500,000	1	10	Establishment of share capital	—	—
2015/06	10	50,000,000	500,000,000	7,500,001	75,000,010	Share equity exchange	—	—
2015/06	10	50,000,000	500,000,000	7,500,000	75,000,000	Buy the cancelled shares of one share	—	—
2016/06	10	50,000,000	500,000,000	30,000,000	300,000,000	Capital increase of NT$225,000,000 from Capital surplus	—	—
2016/09	10	50,000,000	500,000,000	36,977,000	369,770,000	Capital increase by NT$ 69,770,000 by cash	—	—
2017/09	10	50,000,000	500,000,000	41,600,000	416,000,000	Capital increase by NT$ 46,230,000 by cash	—	Note1
2018/06	10	200,000,000	2,000,000,000	41,600,000	416,000,000	Increase the nominal capital	—	—
2019/03	10	200,000,000	2,000,000,000	43,718,529	437,185,290	Conversion of corporate bond for NT$ 21,185,290	—	—
2019/12	10	200,000,000	2,000,000,000	45,718,529	457,185,290	Restricted Stock Awards	—	—
2020/12	10	200,000,000	2,000,000,000	45,668,529	456,685,290	Number of New Restricted Employee Shares that have been Redeemed	—	—
2021/11	10	200,000,000	2,000,000,000	46,132,420	461,324,420	Conversion of corporate bond for NT$ 4,639,130	—	—
2022/05	10	200,000,000	2,000,000,000	45,999,442	459,994,420	Number of New Restricted Employee Shares that have been Redeemed	—	—

2022/11	10	200,000,000	2,000,000,000	45,971,442	459,714,420	Number of New Restricted Employee Shares that have been Redeemed	—	—
2023/02	10	200,000,000	2,000,000,000	65,971,442	659,714,420	Capital increase by NT$ 200,000,000 by cash	—	Note2
2023/04	10	200,000,000	2,000,000,000	69,063,819	690,638,190	Conversion of corporate bond for NT$ 30,923,770		
2023/07	10	200,000,000	2,000,000,000	69,368,162	693,681,620	Conversion of corporate bond for NT$ 3,043,430		
2023/11	10	200,000,000	2,000,000,000	69,373,596	693,735,960	Conversion of corporate bond for NT$ 54,340	—	—

Note1: The Taiwan Securities No. 10617027431 on August 8, 2017.
Note2: The Financial Supervisory Commission No. 1110365387 on December 22, 2022.

B. Type of shares

March 27, 2026；Unit:share

Share type	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total	
Common Stock	69,373,596	130,626,404	200,000,000	

C. Information about the comprehensive reporting system: None.

（2）Major Shareholders

Name, Shareholding amounts and ratio of shareholders whose shareholding ratio is 5% or more or being the top ten shareholding ratio

March 27, 2026 Unit: share

Shares / Name	Nationality or the Registration Location	Shareholding	%
WEI YUANE INDUSTRIAL CO., LTD.	British Virgin Is.	6,225,000	8.97%
Si Yuan Investment Co., Ltd.	British Virgin Is.	6,000,000	8.65%
LIN, WEI-YUAN	R.O.C	3,662,662	5.28%
DAI, YU-HUA	R.O.C	2,250,338	3.24%
LIN, YU-HENG	R.O.C	1,779,415	2.57%
Famous Season Limited	Independent State of Samoa	1,500,000	2.16%
LIN,MEI-YING	R.O.C	1,388,000	2.00%
UIT COMPANY LIMITED	JAPAN	1,161,000	1.67%
Horngshiue International Investment Co., Ltd.	R.O.C	1,000,000	1.44%
Delta Capital Co., Ltd.	R.O.C	997,000	1.44%

（3）Dividend Policy and Implementation Status

①. Dividend policy stipulated by the article of incorporation:

The Company is in a growth stage. The Company's dividend and bonus should be distributed to the Company's shareholders by cash or (and) share, and the Company's dividend and bonus distribution should take considerations of the Company's capital expenditure, future business expansion plans, financial plans and other plans to furfill a sustainable development.

During the listed period, if there is a surplus in the Company's annual accounts, after the board meeting with two-thirds or more directors attendance and resolved by over half attended directors, 0.5% to 8% of the surplus is contributed as the employee's remuneration in the form of share and(or) cash; and after the board meeting with two-thirds or more directors attendance and resolved by over half attended directors,amount not exceeding 5% of surplus is contributed as the director's remuneration to directors unless otherwise regulated by Cayman laws, public companies regulations or articles of incorporation. However, if any accumulated loss(including adjusting the undistributed profit amount) is present, the make-up amount should be reserved in advance, then the foregoing ratio of the remaining amount will be contributed as the employees' and directors' remuneration. Proposal of employees and director remuneration distribution should be reported at the shareholder's meeting. Unless otherwise regulated in the public company regulations, the director's remuneration should not be implemented by issuing new shares. "Surplus" in this paragraph refers to profit before tax without deducting the employees' and directors' remuneration distribution.

During the listed period, if any surplus is present at the end of an accounting period, remaining amount (including reversal of the special reserve) should be resolved by the shareholders' regular meeting to conduct addition of all or part(including adjusting the undistributed profit amount) of undistributed surplus of the previous fiscal year decided by the shareholders' regular meeting resolution with no less than 10% of distributable surplus, and be distributed to shareholders by dividend or bonus based on their shareholding ratio, after relevant taxes, loss make-up(including the loss and adjusted undistributed profit of the previous year, if any), legal surplus reserves regulated by public company regulations(not applicable to those whose legal surplus reserves total have reached the total issued capital of the Company) and special reserves(if any) are deducted, unless otherwise regulated by Cayman laws, public company regulations, article of incorporation or rights attached to the shares.Amount of the cash dividend or bonus should not be less than the 10% of total distributed dividend or bonus. Nevertheless, the Company would not have to abide by this regulation when it distributes dividend or bonus to shareholders after usual resolution in the shareholder's meeting if the distributable earnings are less than 1% of the paid-in capital of the Company (i.e., the Company could distribute nothing or less dividend or bonus).

②. The proposed dividend distribution:

The Company's board meeting held on March 10, 2026 had resolved not to distribute dividends for 2025.

③.Is there any significant change to be made to the dividend policy: Not applicable.

（4） Impact of the Proposed Bonus Shares on the Company's Operating Performance and Earnings per Share: There were no bonus shares in 2025, hence not applicable.

（5）Bonuses of Employees, Directors and Supervisors

①. The percentage or scope of the bonuses of Employees, Directors and Supervisors stipulated in the Articles of Incorporation:

Please refer to the specification in the abovementioned （6）Dividend Policy and Implementation Status (i.)

②. The basis for the estimation of the amount of bonus of employees, directors and supervisors in the current period, and the accounting treatment if there is a difference between the actual employee bonus paid in shares or cash and the estimated amount:

The Company's board meeting held on March 10, 2026 had resolved not to distribute dividends for 2025.

③. Bonus distribution as passed by the board meeting:

The Company's board meeting held on March 10, 2026 had resolved not to distribute dividends for 2025.

④.If there is a difference between the actual distribution of bonus of employees, directors and supervisors (including the number of shares, the amount and the share price) in the previous year and the provision for the bonus, please describe the difference, the reason and the accounting treatment:

A. The Company's board meeting held on March 6, 2025 had resolved not to distribute dividends for 2024.

B. There was no difference for the distribution of bonuses of employees and directors in 2024

(6)Buyback of Treasury Stock: None.

2. Corporate Bonds: Nil.

3. Preferred Shares: Nil

4. Oversea Depositary Receipts: Nil

5. Employee Stock Option: Nil

6. Restricted Stock Award: Nil.

7. Issurance of New Shares for Acquisition or Exchange of Other Companies' Shares: Nil

8. Financing Plans and Implementation: Nil.

V. Operations Profile

1. Business Scope

(1) Business scope

①. Main businesses

The Group engages mainly in research and development, production and sale of sheet metal dies and gauges. The sheet metal dies are key industrial tools indispensable for automobile industry. The sheet metal is the surface and internal part of thin sheet plate and various shapes covering the engine and chassis, and composing of the driver's cabin and car body. The sheet metal die can be classified into covering dies, inner sheet metal die and structure die by different usages. The automobile sheet metal die can be further classified into single die, compound die, multiple station die and progressive die by the die structure. The automobile sheet metal die is an important composition of the car body making technology, and its design and manufacturing roughly accounted for two third of the cycle time for automobile development, and serves as the major limiting factor for chaging die of automobiles, and is a key part of forming the self-development ability of automobiles. The automobile sheet metal die has the characteristic of single customized production, and has complex structure and the technology standard is high, and is classified as technology intensive product and capital-intensive product.

②.Business weighting

The Group focuses on the design and manufacture of sheet metal die of car body, which accounts for over 90% of the group total revenue, including the die itself, and check tools (gauges) specified for inspection of sheet metal part. On the other hand, other incomes account less than 10% of revenue, and they are selling rejects such as waste iron, waste material, etc.

Unit:NT$ Thousand, %

Year / Service Item	2024		2025	
	Net sales	Percentage	Net sales	Percentage
Automobile sheet metal die manufacturing	1,890,014	98.87	1,629,846	93.72
Others	21,526	1.13	109,262	6.28
Total	1,911,540	100.00	1,739,108	100.00

③. New product (service)

The Group dedicated in research and develop die of new material, the aluminum alloy, suitable for car body. As new energy cars emerge, weight reduction becomes a new trend. Nevertheless, the safety should be noticed, thus car body of various material becomes the research director for big car manufacturers. Because aluminum is lighter than iron, many car manufacturers begins to apply aluminum alloys. The Group will collaborate with car manufacturers to develop dies appropriate for aluminum alloys combining the previous development experiences. As technology standard base is improved, development ability for die applicable to aluminum alloys will be further improved.

(2)Industry Current Status

①.The industry current status and development

The dies are tools forcing the forming of metals or nonmetals and are special basic craftequipment indispensable to industry production. Die production process consists in precise manufacturing, computer technology, and smart control. Die can be classified by die form machining craft to, primarily, plastic die, press die, cast die and forge die. The Group's die product is car-body sheet metal die belonging to press die. The craft of press die uses die assembled at the press machine to apply pressure to sheet material to cause the separation or deformation and the desired part can be obtained.

Automobile molds are located in the upstream industry of the automobile industry, and are known as the " Mother of automobile industry ". More than 90% of the parts in automobile production need to be formed by molds. Automobile body molds, especially large and medium-sized panel molds, are an important part of body manufacturing technology and a key link in the formation of independent development capabilities for automobiles. Automobile mold products include automobile panel moulds, tire moulds, interior and exterior plastic parts moulds, lamp moulds, automobile bumper moulds, automobile dashboard moulds, etc. Generally, the production of an ordinary car requires more than 1,000 to 1,500 sets of stamping dies, worth about 150 million to 350 million RMB. It determines the quality, benefit and new product development ability of its output products; at the same time, the mold is the "benefit amplifier" of the enterprise, and the value of the final product produced by the mold is often dozens or hundreds of times the value of the mold itself. Although the automobile industry is a mature industry, the Chinese automobile market is in a period of vigorous development. However, due to the specifications, quality and performance of Chinese molds, there is still a certain gap with the international advanced mold production technology. More than 40% of medium and high-end molds have to rely on foreign imports. Therefore, mainland China formulates and revises relevant industrial laws, regulations and policies for China's mold industry every year. Pushing the mold industry to high-end mold companies has become one of the key development goals. Therefore, the Chinese government actively invests to boost the domestic economy, which promotes the development of China's mold industry and provides opportunities for the development of the mold industry. The China government encourages the vigorous development and innovation and upgrading of the mold industry, especially the design of large and precision molds With the support and guidance of national policies, the equipment level and strength of mold enterprises have been improved year by year, and the production technology has made significant progress.

The rise and fall of the automotive mold industry is dependent on the development prospects of the automotive industry. In recent years, China has been affected by the US-China trade war and economic slowdown, coupled with international automakers' entry into the electric vehicle sector. This has led to a gap between the launch and sales of traditional gasoline-powered vehicles. Therefore, global car sales, after peaking in 2017, are showing stable growth in 2025, according to data from the Marklines, global automotive industry platform. Driven by subsidies and industry recovery in various countries, global car sales are projected to reach 94.64 million units in 2025, a mere 2.2% increase from 92.58 million units in 2024. However, electric vehicles continue to grow, with global electric vehicle sales reaching 21.6 million units in 2025, an annual growth rate of 25.36%. China's electric vehicle sales exceeded 13.61 million units, with an annual growth rate of over 18%. This is attributed to the Chinese government's policies of exempting vehicles from purchase tax and providing subsidies for trade-ins, as well as the introduction of more competitively priced and diversified models by Chinese automakers.

2016~2025 年全球汽車銷售量概況

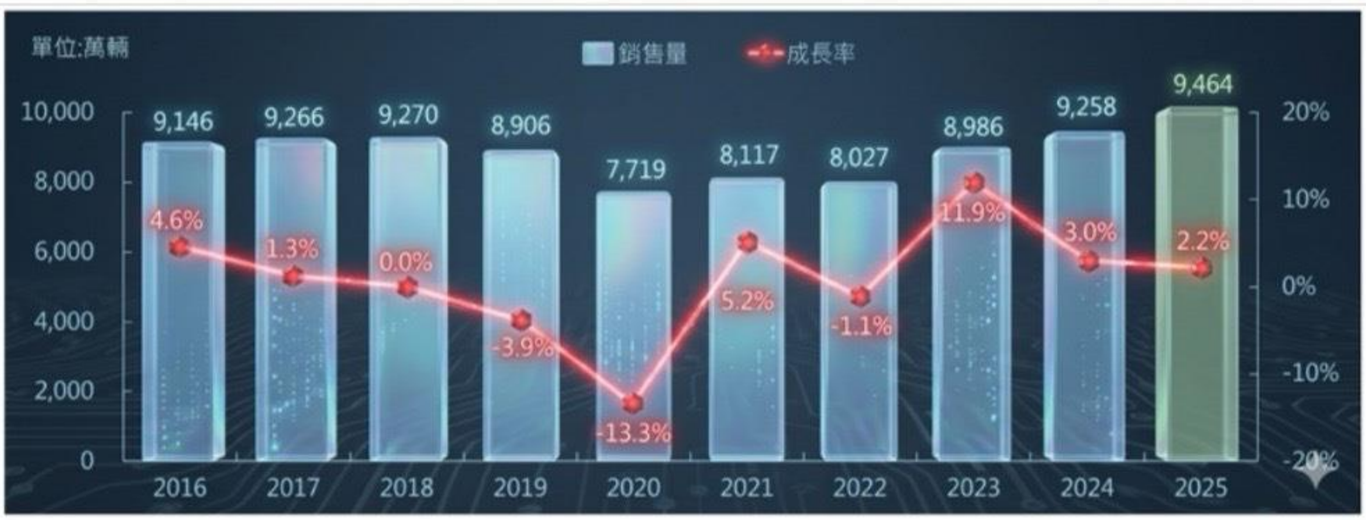


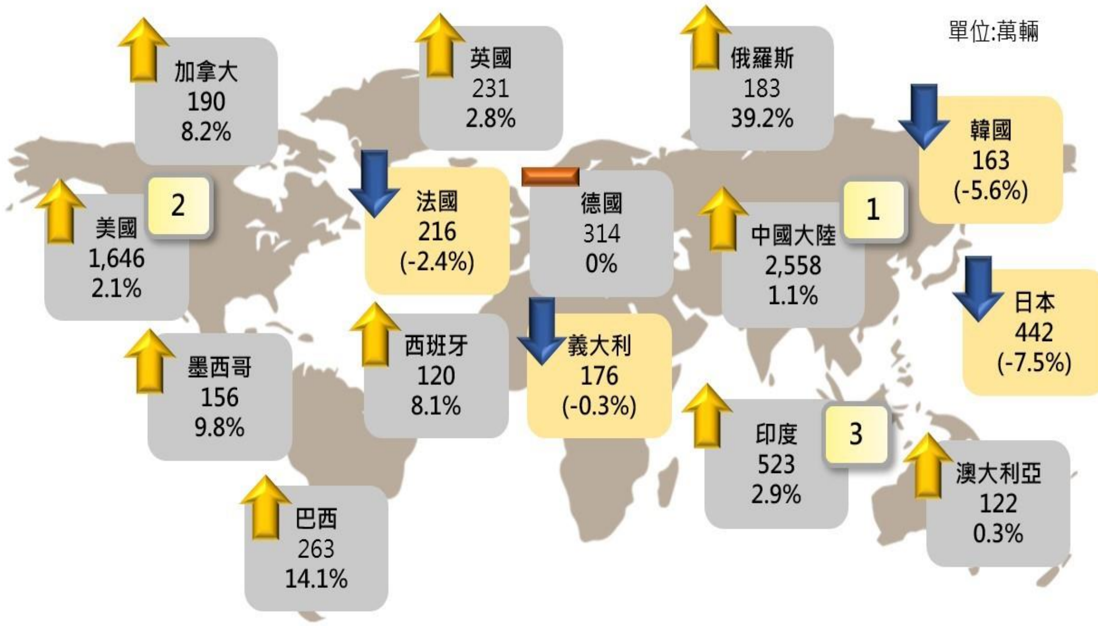
圖1、歷年全球車市銷量及成長率

資料來源：MarkLines（截至2026/2/4統計），車輛中心整理（使用Gemini AI軟體編輯）

資料來源：Marklines，車輛中心整理

According to MarkLines data, the world's major vehicle sales markets are China, the United States, and India. China has maintained its position as the top-selling single country since 2009, followed by the United States and India. In 2025, the global auto market is expected to see strong momentum in China, while the European and American markets will experience mixed performance due to policy uncertainties. Most countries will see slight growth in car sales. China, the world's largest auto market, is projected to sell 34.35 million vehicles in 2025, representing a 9% year-on-year increase, maintaining its position as the world's largest auto market. This is mainly attributed to the government's continuation of electric vehicle subsidies and the detailed rules for the 2025 vehicle trade-in subsidy program, which effectively stimulated consumer demand for replacements and drove continued growth in electric vehicle sales in mainland China (13.61 million vehicles sold in mainland China in 2025, a 18.3% increase). The United States, the second-largest auto market, is projected to sell approximately 16.77 million vehicles in 2025, a modest 2% increase, but its growth structure exhibits significant time lags. In the first half of the year, influenced by anticipated adjustments to tariff policies and the impending withdrawal of electric vehicle subsidies, consumers made advance purchases, leading to a short-term surge in demand (with a growth rate of 3% in the first half of 2025). However, in the second half of the year, as the impact of tariff policies expanded and electric vehicle subsidies were officially eliminated, market demand declined from its high point. Furthermore, the inflation and high-interest-rate environment caused by tariffs further compressed household disposable income and financing willingness, weakening the overall momentum of the US auto market. This demonstrates that policy direction and economic conditions have a crucial impact on the performance of the US auto market. India, the third largest auto market, showcased its emerging market growth potential, with sales officially exceeding 5.5 million vehicles in 2025, representing an annual increase of over 6%. Its main growth driver came from the Goods and Services Tax (GST) 2.0 reform, which simplified the tax rate structure and reduced the tax burden on small vehicles. For example, the tax rate for passenger cars under 4 meters in length was reduced from 29-31% to 18%. Coupled with income tax relief policies, such as raising the tax exemption threshold from 700,000 rupees per annum to 1.28 million rupees per annum, this significantly increased disposable income and further boosted demand in the auto market. Furthermore, India's local manufacturing policies and demographic dividend have laid the foundation for long-term market expansion, making it one of the important growth engines for the global automotive market in the future.

2025 年全球主要汽車市場銷售概況



資料來源：Marklines，車輛中心整理

In response to global green energy policies, more than 20 countries have formulated plans for vehicle electrification and bans on the sale of gasoline-powered vehicles, with most targets falling between 2025 and 2050. Europe is particularly proactive, setting its sights on achieving these goals between 2025 and 2040. As several countries prepare to ban the sale of gasoline-powered vehicles, global OEMs are also planning to exit the gasoline-powered vehicle market. These OEMs are developing numerous new electric vehicle models. With the widespread availability of charging stations addressing range anxiety and the decreasing cost of batteries, electric vehicle prices are expected to drop, all of which will increase consumer willingness to purchase electric vehicles. According to EV-Volumes, global electric vehicle sales will reach 21.6 million units in 2025, representing a year-on-year growth rate of 22%. In terms of major regional electric vehicle markets, China's electric vehicle sales will reach 13.61 million units, with a year-on-year growth rate of 18.2%. The market share of electric vehicles in China has exceeded 50% for two consecutive years, indicating a stable development scale. The related industry chain, basic charging infrastructure, and usage environment have also reached a certain level of maturity. On the policy front, the Chinese government announced at the end of 2025 the continuation of the old-for-new subsidy mechanism to maintain the market's growth momentum. In contrast, European electric vehicle sales are projected to reach approximately 4.43 million units in 2025, representing a 35.8% year-on-year increase. Unlike the relatively sluggish performance in 2024 due to factors such as reduced subsidies in some countries, overall economic uncertainty, and hesitant consumer demand, the European electric vehicle market saw a significant recovery in 2025. This was driven by the restoration or strengthening of subsidies in many countries (such as Italy, the UK, Spain, and France), coupled with automakers launching more affordable models to stimulate the market and boost sales. In the US market, cumulative electric vehicle sales are projected to reach 1.53 million units in 2025, a slight decrease of approximately 2% compared to 2024. While the third quarter saw a relatively strong performance due to the pre-adjustment effect of subsidies under the Inflation Reduction Act (IRA), market momentum slowed after the tax breaks ended at the end of September 2025. Overall, the US electric vehicle market share has remained around 10% for the past three years, indicating relatively limited growth. Furthermore, adjustments to the federal government's policy direction on electric vehicles have led automakers to be more cautious in their electrification investments and product strategies. Some automakers (such as Ford) have also restructured their product portfolios, aiming to strike a balance between electrification transformation, consumer demand, and profit pressures. This means the US electric vehicle market still faces many possible development scenarios in the short term. Looking ahead to the global electric vehicle market in 2025, DIGITIMES forecasts sales of 20.47 million units, representing an annual growth rate of 18.8%, slightly lower than the 25.5% in 2024. Nevertheless, the global electric vehicle market growth rate will still be higher than the overall automotive market's 1.7%. In addition, the performance differences between regional markets will further widen. China will continue to dominate the global electric vehicle market, with sales reaching 14.25 million units and a market penetration rate of up to 54.6%, mainly due to Chinese automakers continuing to launch affordable electric vehicles with high cost-performance ratios, and continued government support from the Chinese government. The European electric vehicle market is expected to recover and grow by 11.7% annually by 2025, primarily due to European automakers' accelerated shift towards affordable electric vehicles in response to stringent EU carbon emission standards and competition from Chinese automakers. The US market, however, will face challenges from insufficient growth momentum, mainly due to the negative impact of Trump's policies on electric vehicle development; the US electric vehicle market is projected to grow by only 3% annually. Despite plans by Tesla and traditional automakers to launch more competitive, affordable models, it will be difficult to reverse the market's sluggishness.

2020~2025 年全球電動車銷量

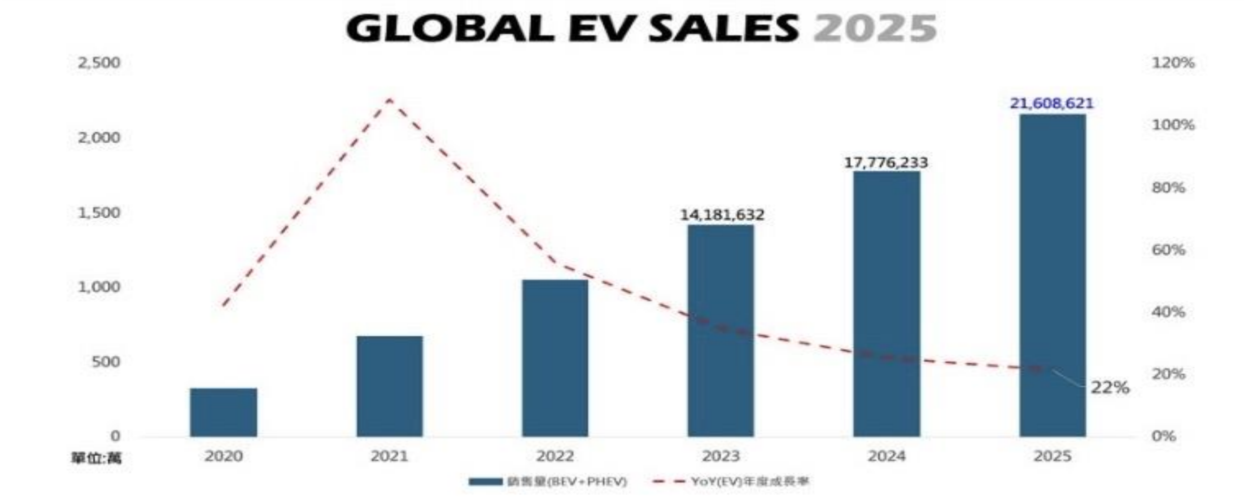


圖1、全球電動車市場近年銷量與成長率

資料來源：EV-Volumes，車輛中心整理

資料來源: EV-Volumes；車輛中心整理

②. The future development trend of the industry

A. Improvement of China's automobile mold manufacturing technology level and equipment

With the continuous development of China's automobile industry to high-end, the requirements for molds are getting higher and higher. At present, most of the mold companies in China's mold market are still concentrated in the middle and low-end mold market, and the development, design and manufacturing capabilities of high-end molds are far from enough. Fully meet the needs of the local auto industry, so high-end molds still need to be imported in large quantities. However, in the past ten years, China's mold industry equipment specifications and technical standards have been improved, and large-scale talent training and reserves have been carried out. The Chinese government expects China's mold industry to demonstrate technological innovation, transformation and upgrading of mold companies in recent years, and continue to push mold products to large-scale , precision, high performance, integration and special processing unit development direction, formulating many supporting policies and building industrial zones, among which the development plan of the mold industry, the five key points of the future technological development of China's mold industry are as follows:

a.Mold digital design and manufacturing and enterprise information management technology improvement, including mold full 3D CAD and CAD/CAE/CAM production technology and CAPP, ERP, MES, PLM and other management technologies.

b. New technologies in mold processing, such as high-speed high-precision machining, composite machining, fine electric machining, new surface finishing and processing technologies, rapid prototyping and rapid molding technology, new material forming technology, intelligent forming technology, hot pressing forming technology , thick plate fine blanking technology, continuous compound fine blanking technology, standardized automatic processing technology, mass customization production technology, network virtual technology, etc.

c. Development and upgrade of special software for mold production and management with independent intellectual property rights.

d. Fine manufacturing and lean production of molds: fine manufacturing and lean production are not purely technical issues, but a comprehensive reflection of the combination of design, processing, management technology and scientific and informationalization, which is very important for improving mold quality and corporate benefits .

e. Use information technology and modern digital simulation control technology to conduct real-time detection of relevant process parameters in the mold production process, further improve mold accuracy, reduce follow-up fitter debugging and mold clamping time, and shorten mold production time.

China's mold industry needs to change from the extensive development model that mainly relied on scale expansion and increase in quantity in the past. Now it is committed to cultivating manpower and refining the depth of manufacturing technology to enhance the competitiveness of enterprises. China's mold market is expected to usher in a period of rapid development in the future. .

B. Europe, America, Japan and other countries are increasingly purchasing automobile sheet metal molds from China

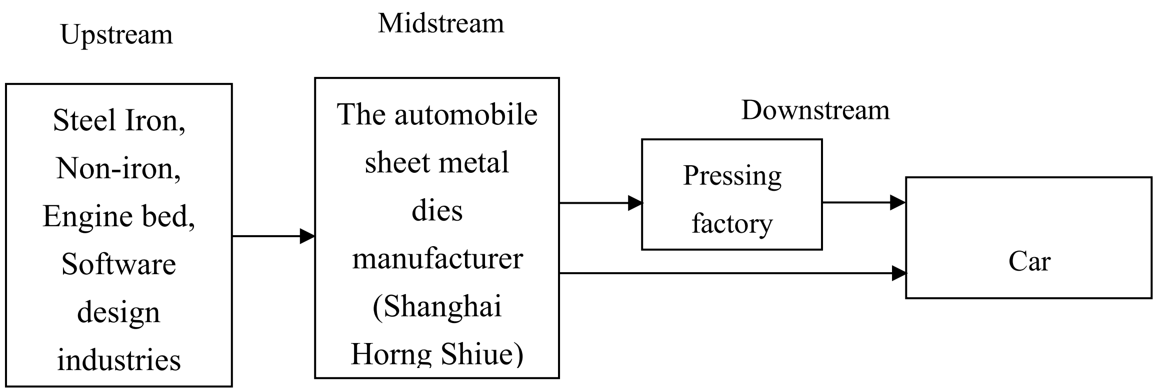
Automobile body sheet metal molds have the characteristics of single-piece customized production, complex structures and high technical standards. They are technology-intensive and capital-intensive products with high unit prices. One-third to one-half. Therefore, based on factors such as labor costs and procurement costs, the trend of foreign automakers purchasing molds from China is increasing. In addition, China has become the most important automobile market in the world. Global automakers are aiming at this huge consumption power. Not only are the first models released in China, but also some special models are tailored to the preferences of Chinese consumers. For example, the extended version is a Chinese-specific model. Furthermore, most of the global automakers have established joint ventures in China and have invested huge sums of money to set up production lines. Coupled with the aging of similar foreign companies or the serious deterioration of the industrial operating environment, it is imperative to purchase molds locally in China, and the industrial aggregation effect Already formed, China has gradually become a new engine for the growth of global demand for automotive stamping dies.

C. The development trend of new material mold

Different mold raw material steel plates can be diversified in terms of body materials. For example, high-strength steel plates with a strength value exceeding 550MPa are thinner than conventional steel plates, which can be used to reduce the weight of the car body and have been used for skeleton members and reinforcements or body panels. The same is the requirement for the lightweight body. Now there are aluminum alloy body applications, and magnesium alloy body bodies will appear in the future. Body parts of different materials have different technical requirements for molds. In the future, the demand for molds adapted to new materials will also be high. The automotive mold industry also needs to increase the mold manufacturing technology of different raw materials and materials to increase the breadth of manufacturing technology

③. Upstream, midstream and downstream

Primary ingredient of the upstream of automobile dies industry is cast iron, whose primary materials are raw iron and waste steel. The midstream, die industry, is the middle product from the production process and is not the final consumer product, and is demanded by the downstream, the automobile industry. The development of automobile die industry is mainly affected by automobile industry and positioned at the upstream and midstream of the automobile industry chain, and will provide the manufacture and design service before assembling by car manufacturers, and exhibits a characteristic of both-way co-dependency with car manufacturers. Through improvement and development of automobile die industry could lead the entire automobile industry a good expension, and via the demands by car manufacturers the automobile die industry could better participate in the car industry development cycle chain.



④.Various development trends of the products

A. Digitalization design and manufacture of die and corporation informatize management technology has improved, including the die three dimensional CAD and CAD/CAE/CAM product technology and management technology like CAPP, ERP, MES, PLM, and etc.

B. New die machining technologies, including high speed and high precision machining, compound machining, precise electrical machining, surface finishing and processing new technology, rapid forming and rapid molding technology, new material forming technology, intelligence forming technology, heat press forming technology, thick sheet precision pressing, continuous compound precision pressing, standard automation machining, great scale customized producing technology, network virtual technology, and etc.

C. Development and upgrade of specified software for self-intelligence property-possessed mold production and management.

D. Precision manufacturing and lean production of dies: Precision manufacturing and lean production is not merely technological issue but comprehensive response of combination of design, machining, management skill and scientific, informatization, which is of importance to enhancing die quality and enterprise effects.

E. Utilizing the informatization and modern digitalization simulation control technology, real-time inspections for relevant technology parameters during the die production processes are realized, which further enhances the die precision and decreases the subsequent bench work debugging and mold closing time, and thus die production time can be shortened.

F. Development trend of new material dies

Different dies' raw material steel sheet could yield diversity on the aspect of car body's materials, for instance, high-strength steel sheets have the strength exceeding 550MPa are thinner than regular steel sheets, and have been used as bone structure material and reinforcing part or car body sheets to decrease the car body weight. Also for the car body lightweight needs, car body of magnesium alloys will emerge in the future. Car body parts of different materials have different technological demands for dies, and in the future demands of dies compatible of new material will become high, and for the automobile die industry, die manufacturing technologies for different materials must be increased to enhance the broadness of manufacturing technologies.

⑤.Competition among products

The automobile sheet metal dies can be roughly classified to low-end, middle-end and high-end, whereas the low technological content dies has exceeded that demanded leading to less revenues, and the middle-end die market competition has became fierce, and the higher technological content high-end dies have much more development spaces.

Die type	Main product	Characteristic	Competing condition
Low-end	Car structure die for domestic self brand and non-key middle and small sheet metal dies	Small volumn, demand of precision not high, Demand for the capability of developing companies is normal, enter threshold is low and sensitive to price demands.	Severe market competence with great number of competitors. The Group basically does not take part in the competition.
Middle-end	Non-key large and middle scale sheet metal dies in China	Between low-end and high-end	Main competitors are ten key backbone enterprises in the industry.
High-end	1.Dies meeting up to the export standards of international mainstream automobile factories. 2.Sheet metal for key part	Large volumn, demand of precision very high, Demand is high for the developing companies' capability, publicity and	Main competitors are minor key backbone enterprises such as Tianjin Motor Dies, Sichuan Chengfei Integration

Die type	Main product	Characteristic	Competing condition
	in the China market. (Mainly including the side wall, fenders, car door, motor cover, top cover, etc.)	reputation.	Technology Corp. Ltd., Rayhoo Die, YESUN (Shanghai) Mould Co., Ltd, YifengGroup,Xingda Dies Group, etc.

The automobile molds and products include automobile cover molds, ring molds, interior decoration plastic molds, car light molds, automobile protection rod molds, automobile top plate molds, etc. General production, general demand for cars, 1,000 to 1,500 multi-purpose truck molds, China Automobile truck mold market size: RMB 12.725 billion, book collection The market share is 0.3%, due to the large number of enterprises in China's model industry, its scale is universally large, and the level of technology and equipment is limited, and the competition for medium and low-end products is fierce. There is a lack of competition in the sheet metal molding market, so this business market has a high concentration of large-scale companies, and the current scale of business has reached more than 400 million yuan. , Ruiyu, Yisen and Xingda and other five major car body model factories, the size of the main body parts in front of the company, the company size has gradually increased, and the competitive power of the market has gradually increased.

(3) Technology and research and development

①. Research and development cost of the past year and as of the publication date of annual report

Units: NT$ Thousand

Year	Research and development cost	Ratio to the revenue
2025	35,156	2.02%

②. Technology or products successfully developed.

Research and development results	Application
Development of Automotive Stamping Dies with Non-Standard Interactive CAM Mechanisms	This research and development utilizes a unique structural design technology that can be applied to the design of dies with subsequent side flanges, ensuring product quality and enhancing the company's competitiveness.
Development of a Side Pressure Plate	This development utilizes a compact

Research and development results	Application
Mechanism for Edge Binding Dies	non-standard CAM to achieve a better pressing effect on sheet metal, ensuring edge binding quality.
Development of Non-Standard Cylinder Drive Mechanisms in Automotive Stamping Dies	Utilizing cylinders as the power source for non-standard CAM mechanisms facilitates press line connection adjustments to die working sequence, reduces die impact, and extends die life.
Development of a feeding device for automotive stamping dies	This device achieves synchronized feeding, improves feeding stability, and reduces die rework time caused by feeding issues.
Development of a Switching Mechanism for Automotive Stamping Dies	The development of an interchangeable mechanism for automotive dies reduces the number of dies required from the client, lowers die costs, reduces die changeover time, and enables online switching, thereby improving production efficiency.

The Company holds technology automomy principle, and technically collaborates with foreign advanced businesses, and keeps to improve and refine design technology and manufacturing development, and actively nurtures research and development talents who continuously develop high strength and special material dies satisfying the car manufacturer demands, and improves product yield and decreases production cost through crafting technology improvement, and technology development and innovation investments are kept to be over 1% of sale incomes to improve the competitiveness of products.

(4)Development plan of long and short term business

①. Short-term business development plan

Adopting the technology improvement and capability expansion, developing and nurturing sub-contract collaboration system and the likes to enhance the die production ability and product quality, strengthen the new product development and market expansion ability and keep expanding market share. Reinforce the technology team establishment, enhance external collaboration and communication, depend on technical self innovation and strengthen scientific management, increase resource utilization efficiency, shorten die acquisition period. Key to die products is to develop to external sheet metal die for middle and high class sedans to acquire the realization of contractor for the entire automobile. Actively expand oversea market to realize the crossing increasing of die exports and become the international die supplier. Through effective saving-cost ways such as apply subcontractor's low-efficiency operation procedure, separate products with low value added, lower the procurement price and decrease unnecessary expenditures to increase the Company's profit. By standardized operation, process reengineering and informatization means to raise the production and management efficiency, to enhance the Company's core competitiveness and realize the continuous growing of products' sales income and profitability.

②. Long-term business development plan

Taking the car body die as core business, as facing with international 以 and domestic China market, we focused on expanding scope of sheet metal dies for middle and high class sedans of high product value added, established die debugging center to develop part dies of aluminum alloys or large-scale precision dies. The Group will use various flexible and effective research and development mode to keep enhancing know-how innovation and increasing manufacturing level. We strengthens lateral and longitudinal connection to enhance the competitiveness of the supply chain, and remains the industry dominance on operation scale and technology standard. We actively develop the international market to become the international die supplier.

2. Market and sells Overview

(1)Market analysis

①.Sale (Providing) regions of main product(service)

Unit: NT$ Thousand

Year / Sale region	2024		2025	
	Sales amount	Percentage (%)	Sales amount	Percentage (%)
Domestic (within China)	1,697,867	88.82	1,220,654	70.19
Foreign (outside China)	213,673	11.18	518,454	29.81
Total	1,911,540	100.00	1,739,108	100.00

②.Market share

Although China has many companies in die industry, but the scope is generally not big, and technology and equipment standard is limited, leading to fierce competition among middle and low-end products, while the high-end sheet metal die markets have insufficient competition, hence the market share of this industry still concentrates on large-scale companies, the Group is currently the company with substantial scope in the industry, and the Group’s market share increased gradually as the company scope keeps expanding. The Group’s main competition rivals are Tianjin Motor Dies, Sichuan Chengfei Integration Technology Corp. Ltd., Rayhoo Die, YESUN (Shanghai) Mould Co., Ltd, Yifeng Group and Xingda Dies Group. Recently, rapid development of China automobile industry had led to enormous demand of automobile dies. Estimated by the market scope of China automobile die as RMB 12.725 billion, the Group’s revenue in 2025 is RMB 0.39 billion and the market share is about 0.3%.

③.Supply and demand condition and growing ability of the future market

A. Demand situation and growth

Since 1970, the number of cars in the world has almost doubled every 15 years. In particular, China has been the largest car market in the world since 2009. The sales volume in a single country will be 26.27 million in 2021, far surpassing the second largest car market in the United States , due to the huge scale of the Chinese market, if it continues to grow at a rapid rate, based on China's current national income, urbanization level, and car ownership level, the future sales of new cars and the replacement of old cars will be able to support the future Chinese auto market Stable growth momentum, which plays a leading role in the global auto market. According to Bloomberg, with the upgrading of fuel oil to smart new energy industries, China and Europe and the United States will return to 2017 levels in 2023 and 2024~2025, and it is estimated that From 2022 to 2025, global passenger car sales will reach 95 million at a compound annual growth rate of 4.72%, of which China's car sales will reach 29.7 million. This is an opportunity for the stable development of the automotive mold industry in China.

全球乘用車預估銷量（百萬）

資料來源：Bloomberg；永豐投顧整理

In addition, car manufacturers around the world are actively developing new energy vehicles. Compared with the traditional fuel vehicle field dominated by core components such as engines and gearboxes, it is very difficult for Chinese brands to break through technical differentiation. However, new energy vehicles focus on innovation, and work hard on the low-carbonization, informatization, and intelligence of automobiles. Since China has leading advantages in technologies such as electronic control, motors, information, and batteries, it is conducive to the development of the new energy automobile industry. Therefore, since 2017, Chinese brands have attacked In the new energy vehicle market, a series of new energy brands such as Aion, Weilai, ORA, Xpeng, Weimar, Ideal, Leap, Lantu, BYD and AITO were launched, while traditional carmakers such as Geely, Great Wall, SAIC and Changan , Dongfeng and GAC all have independent new energy brands, and have clearly set performance targets for new energy vehicles in 2025. According to DIGITIMES, in 2024, the global electric vehicle market will continue to grow, but the growth rate will slow down, the volume will reach 17.23 million units, and the annual growth rate will be 25.5%. Since the China market is under the control of the entire world, however, due to market factors, policy and demand fatigue, the expression rule is not in control. Outlook 2025, DIGITIMS global electric vehicle market volume will reach 20.47 million units, annual growth rate will be 18.8%, market penetration rate will reach 19.2%; Comparison of electric vehicle market growth in 2023 (annual growth rate: 34.3%), but with a high level of structural automobile market (annual growth rate: 0.9%), electric vehicle growth is the core of the automobile industry development. As mentioned above, under the development of China Automobile's electric vehicle industry, the achievements of zero assembly and model of China Automobile, especially the market of China Automobile modes. It is very rare to find one-third or two-thirds of the market in advanced countries, and the late modes was sold at a car factory in China. The global car factory has the highest consumption power in China, the first car type and special vehicle specifications have been uniformed in China, and the second global car factory has a large number of global car factories. A number of production lines were established in China, and the former location required the acquisition and purchase of molding equipment, which provided rapid growth opportunities for the automotive molding industry.

預計全球 2020~2025 年新能源車銷量及成長率

資料來源：EV-Volumes，車輛中心整理

Based on the above, the automobile industry is in an unprecedented era full of opportunities, and China is rapidly completing the industrial upgrade from fuel oil to smart new energy. The group company has served a large number of new energy car companies at home and abroad. As the epidemic enters the end stage and the production capacity of the new factory is fully released, it should be able to seize this opportunity for growth.

B. Supply side situation and growth

There are quite a number of enterprises in China's mold industry, but their scale is generally small, and their technology and equipment levels are limited, resulting in fierce competition for low-end products and insufficient competition in the high-end sheet metal mold market. Therefore, the market share of this industry is still concentrated in the relatively small scale Among the largest companies, the current business scale can reach more than RMB 400 million. There are only five major body mold factories including the Group, Tianqi Mould, Ruihu, Yisen and Xingda. In addition, mold companies established under large automobile groups, such as Dongfeng Group, Changan Group and Great Wall Group, but because the mold companies established under automobile groups are difficult to receive orders from other automakers, they mainly focus on orders within the group. Considering the cost of the car factory, the monthly capacity utilization rate of the group's mold factories fluctuates greatly, so the mold factories of large automobile groups will not be too large. The main function of the mold factories is to develop new car models and different alloy material molds. Some of the molds are outsourced, which shows that the mold outsourcing of car factories has become the norm in the industry.

Automobile body sheet metal molds have the characteristics of single-piece customized production, complex structures and high technical standards. They are technology-intensive and capital-intensive products with high unit prices. One-third to one-half. Therefore, based on factors such as labor costs and procurement costs, the trend of foreign automakers purchasing molds from China is increasing. Furthermore, most of the global automakers have established joint ventures in China and have invested huge sums of money to set up production lines. Coupled with the aging of similar foreign companies or the serious deterioration of the industrial operating environment, it is imperative to purchase molds locally in China, and the industrial aggregation effect Now that it has taken shape, China has gradually become a new engine for the growth of global demand for automotive stamping dies, which will benefit the development of professional die factories.

④. Competence Niche

A. Die development ability

The Group has reached advanced technology with the industry standard at research and development, design, manufacture and debugging ability and keeps implementing technical collaboration with car manufacturer and the trade, and has implemented technology interaction with foreign car manufacturers many times such that rich product development experiences had been accumulated. Substantial development abilities have been possessed among the automobile die industry, and production mode standardization are realized simultaneously to improve the produce efficiency which further improves the Company's core competitiveness.

B. Domestic and foreign resource dominance

In order to follow the design customers demanded for the Group's product, tight collaboration with downstream customers is necessary to collaborately develop, design and set the product technical parameters. Since customers check the die mass rigorously, three years of supply test stage are required for a normal customer to form a tight and stable partnership with a die supplier, and normally a die supplier would not be easily changed unless a material product mass problem occurs. The Group has established tight partnership with many car manufacturers of China, and being the long-term car-body sheet metal die collaboration supplier of Ford and VOLVO, and by advanced technology development ability, quality maintenance and capacity control for many years, we had became the die manufacturer trusted and long-term partnership with many customers.

C.Project management stressing customer experience

Any problems emerged at die's acceptance process would be handled professionally by field service team, and products are delivered before the production schedule of assembly car manufacturer to reach the precision and density customer demanded.

D.Seasoned Management

The Group's main operation spot ShangHai HorngShiue's management team has been in the automobile die or automobile industry for many years, and have rich experience, and for most of their service at ShangHaiHorng Shiue are over eight years, revealing that the management team is stable and rich experienced.

⑤.Advantage and disadvantage factor for development vision and responding strategy

A. Advantage factors

a. The die enterprise gets support from national key policy

The Mainland China stipulates sequentially and revises relevant industrial law and policy for China's die industry annually, such as "Outline of the 14th Five-Year Plan for the National Economic and Social Development of the People's Republic of China"and "Development plan "14^{th} Five-Year" for die industry" reveals that China encourages big and precise die design and development and innovation upgrade of manufacturing die industry, and these policy's promotion forms the support for die industry's development.

b. Continuous demand development for China automobile market

Continuous growing of China's economy and continuous upgrade of labor salary provides automobile market with rigid needs, next, China is promoting the giving-end revolutions which are anticipated to raise automobile markets' rigid need, and SUV development trend will go on. Besides, the highway construction and urbanization promotion help the commerce car development, and rising residents' income after urbanization will further stimulate the car buying desire.

c. Continuously shortened period for new car development and old car shape-change accelerates die-updating demands

Automobiles, especially sedans, have currently enter diversified and characterized development stage, and as the market compition intensified, the car producing enterprices will rely more on new type cars launching to acquire market share, and enterprises usually develop new types of cars simultaneously. Paces of new cars input and old cars changing shape keeps accelerating and the periods are shorter and shorter, whereas the development period for brand new car type has shortened to one to three years, while the shape-changing period for old cars shortened to four to fifteen months. In recent years, China automobile manufacturing enterprises have released hundreds of new car types annually, and substantially most part of these new car types are, under the condition of invariant motor and chassis, changed by their appearance, that is, the continuous change of car-body sheet metal. Moreover, car sheet metal updates all requires car dies to be the basic equipment, accordingly great needs for car dies arises.

d. International procurement market has gradually shifted to China

China has became the most important automobile market around the globe, and global car manufacturers focus at such gigantic consumption capacity that not only first-launched car type being announced in China but special car type being customized for China consumers, for instance, elongated version is the China special version. Moreover, global car manufacturers have established joint-stock company in China and invested huge capital to set the production lines, hence local procurements in China for dies are imperative. Moreover, compared to Europe and the U.S. markets, China is the most important low-cost objection country. Market price of China's automobile dies is only one-third to half of that of advanced countries like Europe, the U.S. and Japan, therefore automobile manufacturers in Europe, the U.S. and Japan are attracted to buy dies from China. As the design and manufacturing quality of China's automobile die enterprises'technological equipment continuously to rise, distance from technical quality and product quality of dies produced by China to that by western developed countries is becoming smaller and smaller, where the former have possessed the capacity of producing sheet metal dies for some middle and high-class sedans. Based on previous factors, foreign automobile firms, one after another, take China as the new manufacture base of car sheet metal dies, which leads to exports of China's sheet metal dies.

B. Disadvantage factors

a. Conflict between technology level and market demand

Required for updates on new energy vehicle types and new models for accelerating train operation, accuracy and quantity quantification. The shortened opening period of the traditional molding industry (12-18 months from October to December), the book collection group and the spirit of the molding industry, In the face of the opening week, the profit changes are short, there are many unforeseen threats, it is an important opportunity to break through, it is not raining, it is normal to see the previous opening week, and the current situation has changed..

<u>Responding strategy</u>：

A.Technology reinforcement and numbering level: acceleration technology level, deep fusion intelligence and numbering, complete construction

CAE model strong gap processing technology, combined high-speed five-axis processing equipment, passing motion simulation reduction physical test simulation number, actual multiple model structure precision design and rapid verification. Artificial intelligence calculation method has been deepened to improve the technology and improve the quality, and to provide the production efficiency and pass rate.

B. Reinforcement plan management: clearly set the goal of each plan, ensure each point's progress is quantifiable, and can be tracked. Regular inspections are carried out every week, ensuring resources are invested and management plans are consistent. Weekly repeat calculation progress key model, progress deviation rate control within ±3%; pre-determined offer, postponement style, construction preparation selection offer stock, success rule avoidance, delivery in progress, plan postponement Wind fall reduction 40%; promotion flattening management, teaching group self-determination, key reversal operation mission, problem solving speed 30%; internal cooperation ensuring customer service internal transportation primary passage.

b. Due to the lack of cooperation in the industry, the development of real power

Passing the main engine factory "Year-end", "Purchasing car loan terms and conditions" and other means of purchasing the vehicle, the power of the bride, the reduction model enterprise profits. At the same time, after the development and development of advanced materials, the various linkages of the electrical industry will be effective and effective, and the impact will be on structural adjustment technology and repeated operation..

Responding strategy：

A.Due to the low manpower resources and continuous production technology level of the industry, the continuous production process standardization, the continuous increase in land purchasing capacity, the high efficiency of machine floor equipment, the production efficiency, and the non-core manufacturing process production during the production process.

B. Introducing MES system and AI output calculation method, improving equipment utilization rate, providing construction work standards, reducing 30% of ineffective construction; immediate production supervision and dynamic adjustment production performance.

C. Improvement of material replacement and craftsmanship, reduction of supply of knurling and half-length, and production of low-flow materials..

(2) The important usage of main product and its production process.

①. The important usage of main product

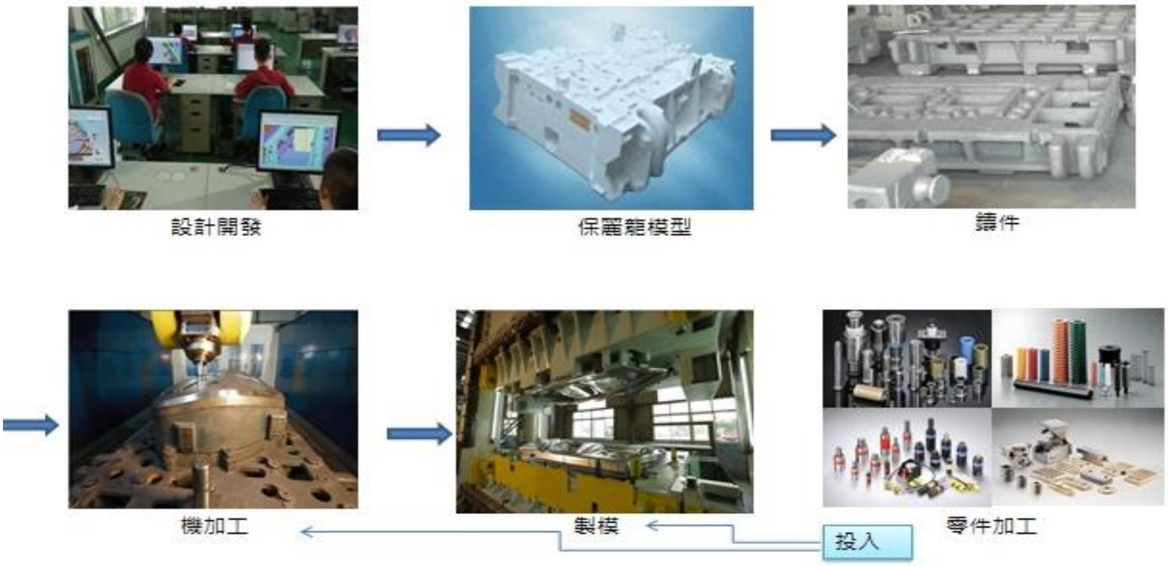
Main product of our group is car-body sheet metal dies, which are needed for dedicated craft equipments in car parts manufacturing,inluding press die (including sheet metal molds), injection molds, rubber molds, forging molds, and etc. As a custume in car manufacturing, car dies aregenerallyreferring to car press dies.

Usageclassificationsforautomative sheet metal dies

Classification	Characteristics	Parts
Covers	Large size, surface quality demands are high,belonging to external surface part of car-body.	Doors, motor cover, top cover, trunk cover, side walls, fenders
Internal Sheet dies	Connected to external sheet metal in general, large size, belonging to internal surface part of car-body	Floor sheet, Internal sheet for side walls, wheel cover
Structure dies	Shape is relatively small compared to internal and external sheet metals, and the surface quality requirements are relatively lower, belonging to automobile structures.	Reinforced plate (carline plate) for front pillar

车身覆盖件

②.Production process



(3)Supply status of main materials

Main ingredient	Supplier	Supply status
Casting part	Jing Cheng Industrial Automobile System Co., Ltd. Shun, Ping Precision Casting Branch Co. NRHC Co., Ltd. Yantai HeAn Casting Co., Ltd. Anhui Yulong Mold Industry Co., Ltd. Yantai Xin Tao Steel Co., Ltd.	Good
Die machining	Shandong Haifeng Intelligent Manufacturing Co., Ltd. Shanghai Hongjia Die Co., Ltd. Qingdao Jitai Automobile Mold Company Qingdao Hengjiulongchang Co., Ltd. Xinwangwei Technology Co., Ltd.	Good
Styrofoam model	ShangHaiXingqin Precision Mold Co., Ltd. Yantai HeAn Casting Co., Ltd. Jing Cheng Industrial Automobile System Co., Ltd. Shun, Ping Precision Casting Branch Co.	Good
Hardware parts	ShangHai Qin Zhong Precision Industrial Co., Ltd. Punch Industry (Dalian) Co., Ltd. YouDe (Kunshan) Precision Industrial Co., Ltd.	Good

(4)Name of customerswho accounted for more than 10% of the total amount of goods purchased/sold in the past two years,the amounts and percentages of the goods purchased/sold and the reasons for the increase or decrease.

①. Name of customers who accounted for more than 10% of the total amount of goods purchased in the past two years.

Unit: NT$ Thousand, %

Project	2024				2025				2026 Q1			
	Name	Amount	%	Relationship with issuer	Name	Amount	%	Relationship with issuer	Name	Amount	%	Relationship with issuer
1	NRHC Co., Ltd	192,287	11.57	None	NRHC Co., Ltd	177,674	13.45	None	NRHC Co., Ltd	38,111	10.11	None
2	Others	1,470,095	88.43	None	Others	1,143,574	86.55	None	Others	338,909	89.89	None
	Net purchase	1,268,664	100.00		Net purchase	1,321,248	100.00		Net purchase	377,020	100.00	

In both fiscal years 2024，2025 and 2026Q1, only NRHC Co., Ltd. purchases accounted for more than 10% of total purchases, reaching 11.57%，13.45% and 10.11% respectively. This was because the contract projects in fiscal years 2024，2025 and 2026Q1 used more castings from NRHC Co., Ltd. Purchases from other suppliers did not account for more than 10% of total purchases, indicating that the Group does not face the risk of concentrated purchasing. For each major purchase category, the Group maintains more than two suppliers and maintains long-term, good cooperative relationships with each supplier to ensure the stability of supply sources; therefore, there is no risk of concentrated purchasing.

②. Name of customers who accounted for more than 10% of the total amount of goods sold in the past two years.

Unit: NT$ Thousand, %

Project	2024				2025				2026 Q1			
	Name	Amount	%	Relationship with issuer	Name	Amount	%	Relationship with issuer	Name	Amount	%	Relationship with issuer
1	Chongqing SERES	448,788	23.48	None	COSKUN OZ KALIP MAKINA SANAYI	315,591	18.15	None	SERES Automobile	151,511	27.14	None

Project	2024				2025				2026 Q1			
	Name	Amount	%	Relationship with issuer	Name	Amount	%	Relationship with issuer	Name	Amount	%	Relationship with issuer
					VE TICARET A.S							
2	Chongqing SERES	287,448	15.04	None	SCANIA	279,661	16.08	None	BYD Automobile	107,610	19.28	None
3	BYD Automobile	221,200	11.57	None	BYD Automobile	267,010	15.35	None	SAIC Volkswagen	66,006	11.83	None
4	COSKUNOZ KALIP MAKINA SANAYI VE TICARET A.S	187,763	9.82	None	Chongqing SERES	252,000	14.49	None	FORD MOTOR COMPANY OF CANADA LIMITED	62,398	11.18	None
	Others	766,341	40.09		Others	624,846	35.93		Others	170,642	30.57	
	Net Sales	1,911,540	100.00		Net Sales	1,739,108	100.00		Net Sales	558,167	100.00	

Our group is a customized manufacturing group, meaning that we are not traditional mass production industry as we implement production and sales as the orders are acquired.Besides, customer sale proportion changes primarily because the manufacturer’s schedule of developing new car models and model revision for old cars is indefinite, which is the normal characteristic of automobile die industry.

3.Employee Information for the Past Two Years and as of the Publication of the Annual Report

Item \ Year		2024	2025	Up to April 20, 2026
Employee	Management	15	15	15
	Production line	440	409	455
	General officer	74	109	73
	Total	529	529	543
Average age		33.90	35.57	35.90
Average service(year)		5.44	7.85	8.18
Education Percentage (%)	Doctor	0%	0%	0%
	Master	0.40%	0.38%	0.37%
	College	38.60%	38.37%	40.70%
	School	38.90%	37.38%	34.44%

Item \ Year		2024	2025	Up to April 20, 2026
	Under School	22.10%	23.87%	24.49%

4.Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Group had no losses or not been punished due to environment contamination in the past year and as of the publication date of the annual report.

5. Labor Relations:

(1) Show the company's employee welfare, advanced study and training, retirement system and its implementation, negotiation between management and labor, and employee rights safeguarding measures:

①.Employee welfare

The Group's major operation location is at China, and conforming to regulations of local labor laws, employees attend social insurance (including pension, medical care, birth, industrial injury and unemployment)to protect employee welfare, and we provide welfare measures such as serving meals for employees, high temperature subsidies for production line employees, festival surcharge, wedding and death subsidies. Besides, employees have leaves such as mandatory holidays, marital and funeral leaves, annual leaves and maternity leaves. Other than holding birthday parties every month to condense employees'emotions, the Company also grants substantial allowances such as year-end bonus and performance bonus to motivate employees.

②.Staff advanced study andtraining:

The Group is highly new technology industry, and high quality professional technology teams are key factors to increase core competitiveness and realize crossing development.Through training and advanced study overseas, recruiting domestic and foreign experts to advice, and on-the-job training to improve overall quality of the current technology team and nurture first-class, international advanced quality technological staff.Through basic training and job rotation, the Group continuously raises composite knowledge level of bottom managers(section chief, chief), make a healthy, improving operation management team, establish motivation mechanism, build a clear performance appraisal system and mutual monitoring mechanism to make corporate governance regulated, management legalized and operation transparency.

③.Retirement system and its implementation:

The Group’s main operation location is at China, and according to the regulation of the local labor laws, pension insurance is attended, and contributions are made monthly for paying social insurance to local labour and social security bureau for our employees.As employees reach mandatory retirement age, they can apply retirement pension at labour and social security bureau, and retirement pensions of all at-duty and retired employees are coordinately arranged by local governments.

④. Negotiation between labor and management, and employee rights safeguarding measures

The Group’s important subsidiaries has protected legal rights of labors in accordance with the labor laws and other relevant laws of the main operation location, and there is no matters to be negotiated due to industrial disputes in the past year and as of the publication date of the annual report, and Shanghai HorngShiue has established union committee in 2016 to serve as the channel for labor and management communications.

(2) List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

In the past year and as of the publication date of te annual report, there has not been any industrial dispute and loss, and labor laws will be conformed to for now and in the future, strengthen the welfare measures and value rational and harmonious relationship between labor and management, and establish interactive communication and appeal management.

6. Information security management

(1) Information security risk management framework, policies, specificmanagement plans and resources invested in information securitymanagement, etc.

A.Risk Management Framework

The authority and responsibility unit of the Company's information security risk management is the Operation department, which sets up professional information personnel to be responsible for The company strengthens information security management to ensure the confidentiality, integrity and security of information assets, so as to provide an information environment for the company's business operations, and conducts information security inspection from time to time.

B. Information security policy

(A)Regulation establishment:

Formulate information security management regulations and standardize information security management measures.

(B)Software and hardware construction:

Build information security-related software and hardware equipment.

(C)Personnel training:

Establish the awareness of information security of all colleagues.

C. Specific management measures

(A)Electronic equipment safety management

a.Equipment for each air conditioner is uniformly installed in the special machine room and the main engine at the cloud end.

b.Internal air conditioning, maintenance electrical equipment, operating in an appropriately hot environment; open fire extinguisher, applicable to fires caused in general electrical appliances.

c.Machine main engine arrangement non-power equipment, evacuation instantaneous power outage creation system, and systematic operation for temporary power outage, emergency power outage.

(B) Network safety management

a.Erection fire prevention fence and line setting rules, blocking illegal entry of customers.

b.Setting up network activity management and filtering, screening harmful or unauthorized network locations, strengthening network security and preventing frequent resource abuse.

(C) Disease protection and management

The use of poison-proofing soft body, automatic renewal of the poison cell, low-drop disease infection mechanism, and periodic maintenance and cleaning company's electrical equipment and network equipment.

(D) Material collection control

a.Electronic equipment is kept by the owner, and the setting record is kept secret.

b.On the day of personnel separation, each system's records will be cleared and the electronic work system will be replaced with new equipment.

c.Electrical equipment information must be confirmed before being dismantled, hardened materials are removed, and hardened materials are not required for reuse, and hardened materials are physically destroyed according to regulations.

(E) Recovery mechanism

The Beifen system is built in different places, the Beifen mechanism is collected every day, the Beifen materials in different places are kept, the system is secured, and the materials are safe.

D. Resources invested in information security

Replacing the firewall equipment of the Group's subsidiaries from time to time.

E.Information security risks and countermeasures

The company has purchased hardware equipment electronic insurance for operational assets such as network equipment. According to the IT management personnel's assessment, the company currently only has information security risks in sending and receiving emails, browser security, and using ERP. However, the company has set up relevant IT managers are responsible for handling matters related to information system security prevention and crisis management. The information system architecture establishes a usable data backup mechanism based on its risk level. It also assesses the operational risks and impacts on financial, legal, and customer levels every year, and makes timely plans. Designing and upgrading software and hardware equipment resources, improving operating procedures and other countermeasures can significantly reduce the impact of information security risks. In 2023, the company did not have any information security incidents. After evaluation by IT management personnel, the company’s information security There are no significant operational risks in Tongping Security. Please refer to the impact of information security risks and industrial changes on the company's financial business and the corresponding measures in detail. 7. Review and analysis of financial status and financial performance and risk events No. 6. Analysis and assessment of risk events (5) Impact of technological changes and industrial changes on the company's finances Business impact and response measures.

(2) As of the publication date of the annual report, the possible impacts and countermeasures suffered due to major information security incidents:

In the most recent year and up to the date of publication of the annual report,the Company has not had any major information security incidents.

7. Important Contracts

Contract Type	Counterparty	From~To	Content	Restriction clause
Leasing contract	Zhejiang Horngshiue Industrial Co.,Ltd. Zhejiang Nanxun Dingxu Technology Development Co., Ltd.	2021/1/1~ 2030/12/31	Leasing contract	None
Sale contract	ShangHai HorngShiue Industrial Co., Ltd. Beijing Automotive	2024/1/1	C66TB Die and guage	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Bank of Shanghai Limited Songjiang Branch Office	2024/12/16~ 2026/1/16	Working Capital Loan Comprehensive credit loan	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Industrial and Commercial Bank of China, Chedun Branch	2025/1/7~ 2026/1/14	Working Capital Loan	None
Sale contract	ShangHai HorngShiue Industrial Co., Ltd. Chery Commercial Vehicle	2025/1/1	VAN Die	None
Sale contract	Zhejiang Horngshiue Industrial Co.,Ltd.	2025/2/1	F2N Die and guage	None

	Chongqing SERES			
Sale contract	Zhejiang Horngshiue Industrial Co.,Ltd. Chongqing SERES	2025/2/1	F1L Die and guage	None
Sale contract	Zhejiang Horngshiue Industrial Co.,Ltd. Chongqing SERES	2025/3/1	X1L Die and guage	None
Sale contract	ShangHai HorngShiue Industrial Co., Ltd. India TATA	2025/4/1	GARUD Die and guage	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Bank of Shanghai Limited Songjiang Branch Office	2025/4/21~ 2026/4/21	Working Capital Loan	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Bank of Shanghai Limited Songjiang Branch Office	2025/6/9~ 2026/6/4	Working capital loan	None
Loan contract	Zhejiang Horngshiue Industrial Co.,Ltd. B Bank of China Nanxun Branch	2025/6/18~ 2026/12/15	Working capital loan	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Bank of Shanghai Limited Songjiang Branch Office	2025/6/19~ 2026/6/4	Working capital loan	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Shanghai Rural Commercial Bank Songjiang Branch	2025/6/19~ 2026/6/18	Working Capital Loan	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Shanghai Branch of Shanghai Pudong Development Bank	2025/6/20~ 2026/6/19	Working capital loan	None
Sale contract	ShangHai HorngShiue Industrial Co., Ltd. JSW MOTORS LIMITED	2025/8/1	V23 Die and guage	None
Sale contract	ShangHai HorngShiue Industrial Co., Ltd. BAIC New Energy	2025/8/1	X90KS Die and guage	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. China CITIC Bank Co., Ltd. Shanghai Branch	2025/9/12~ 2026/9/12	Working capital loan	None
Sale contract	ShangHai HorngShiue Industrial Co., Ltd. Beijing Automotive	2025/12/1	B31T Die and guage	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Bank of Shanghai Limited Songjiang Branch Office	2025/12/10~ 2026/12/10	Working Capital Loan	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Bank of Shanghai Limited Songjiang Branch Office	2025/12/5~ 2027/4/27	Working capital loan	None
Loan contract	ShangHai HorngShiue Industrial Co., Ltd. Bank of Shanghai Limited Songjiang Branch Office	2025/12/5~ 2026/11/24	Working Capital Loan	None
Equipment Purchase Contract	ShangHai HorngShiue Industrial Co., Ltd. Beijing Yaozhong Electromechanical Equipment Co., Ltd	2025/1/21~ 2026/6/30	CNC Gantry Five-Sided Machining Center	None
Equipment Purchase Contract	Zhejiang Horngshiue Industrial Co.,Ltd. Beijing Yaozhong Electromechanical Equipment Co., Ltd	2025/1/21~ 2026/6/30	CNC Gantry Five-Sided Machining Center	None
Loan contract	Zhejiang Horngshiue Industrial Co.,Ltd. Agricultural Bank of China, Nanxun Branch	2025/12/23~ 2026/12/22	Working capital loan	None
Loan contract	Zhejiang Horngshiue Industrial Co.,Ltd. Agricultural Bank of China, Nanxun Branch	2025/12/29~ 2026/12/28	Working capital loan	None

Note: Sale contracts over RMB 20 million, all loan contracts and important equipment purchase contracts are disclosed.

VI. Review and Analysis of Financial Status and Business Results and Risk Issues

1. Financial Status

Unit: NT$ thousands

Year / Item	End 2024	End 2025	Difference		Description
			Amount	%	
Current assets	2,565,892	2,765,574	199,682	7.78	
Property, plant and equipment	469,403	456,799	(12,904)	(2.75)	
Intangible assets	5,778	6,147	369	6.39	
Other assets	180,687	152,697	(27,990)	(15.49)	
Total assets	3,221,760	3,381,217	159,457	4.95	
Current liabilities	2,147,738	2,402,303	254,565	11.85	1
Non-current liabilities	330,009	171,821	(158,188)	(47.93)	2
Total liabilities	2,477,747	2,574,124	96,377	3.89	
Common stock	693,736	693,736	0	0	
Additional paid-in capital	622,308	622,308	0	0	
Retained earnings	(556,667)	(472,076)	84,591	15.20	3
Other components of equity	(15,364)	(36,875)	(21,511)	(140.01)	
Total equity	744,013	807,093	63,080	8.48	

Analysis and description (for the changes of 10% or more, and the amount has reached 1% of total asset of the corresponding year)

1. Current Liabilities: Primarily due to an increase in short-term bank borrowings and contract liabilities (current) of the Company's subsidiary, Shanghai Horngshiue, during the period..
2. Non-current Liabilities: Primarily due to a decrease in long-term bank borrowings and lease liabilities (non-current) of the Company's subsidiary, Shanghai Horngshiue, during the period..
3. Retained Earnings: Primarily due to a decrease in retained earnings resulting from an increase in net profit after tax during the period.

2. Financial Performance

(1) Main reasons for significant changes in operating income, net operation profit and pre-tax net profit in the last two years

Unit:NTD$ thousands

Year / item	2024	2025	Increase(decrease)	
			sum	%
Operating revenues	1,911,540	1,739,108	(172,432)	(9.02)
Operating costs	1,746,469	1,488,786	(257,683)	(14.75)
Gross profit	165,071	250,322	85,251	51.64
Operating expenses	131,670	146,828	15,158	11.51

Year / item	2024	2025	Increase(decrease)	
			sum	%
Operating income	33,401	103,494	70,093	209.85
None-operating income and expenses	(3,426)	(14,539)	(11,113)	(324.37)
Profit before tax	29,975	88,955	58,980	196.76
Income tax expense	(13,241)	(4,364)	8,877	67.04
Net income	16,734	84,591	67,857	405.50
Other comprehensive income	48,673	(21,511)	(70,184)	(144.19)
Total comprehensive income	65,407	63,080	(2,327)	(3.56)

Analysis and description:
(For thosethatchangedby10% or more and those whose amount isover 1 % of total asset in the current year.)

In 2025, China's auto market reached a record high, with production and sales reaching 34.531 million and 34.4 million vehicles respectively, representing year-on-year growth rates of 10.4% and 9.4%. Passenger vehicle production and sales were the mainstay of the market, demonstrating steady performance and providing core support for market growth; the commercial vehicle market rebounded, with production and sales achieving growth of over 10%; and the production and sales of new energy vehicles reached new heights, becoming a strong driving force for development, with annual production and sales exceeding 16 million vehicles, accounting for more than 50% of total sales, ushering in a new stage of high-quality development. Meanwhile, new energy vehicle production and sales reached 16.626 million and 16.49 million vehicles respectively, representing year-on-year growth of 29% and 28.2%, with new energy vehicle sales exceeding 50% of total new vehicle sales. As the continuous promotion of new models accelerated the production and final acceptance of molds, the operating revenue in 2025 decreased compared to 2024. However, the gross profit, operating profit, pre-tax profit, net profit for the period, and total comprehensive profit and loss for the period all increased compared to the same period last year..

(2)Expected sales quantity and its basis

Because our main product, car body sheet metal molds, takes about 1 to 2 years from the signing of contracts to revenue recognition at final acceptance, the future revenue amount is determined by the order amount taken currently.

(3) Possible impact on the company's financial business condition in the future and the counter measures.

The Group has accumulated considerable design and production experiences in car sheet metal dies industry, and additionally Europe and the U.S. has outsourced molds to China due to cost factor, and changing in customers' preferencesto car appearance accelerates car model revision, which further increases demands for car sheet metal dies, thereforein the future acquisition of more orders will be expected,buttheGroupwill implement assessment carefully to the condition of production capacity in order to conduct adjustments to acquired orders.

3. Cash Flow

(1)Cash flow analysis for the current year.

Unit:NT$ thousand

year / Accounting items	2024	2025	Difference	
			Amount of increase(decrease)	Ratio of increase(decrease)(%)
Net cash inflow from operating activities	329,771	112,855	(216,916)	(65.78)
Net cash outflow from investment activities	(33,376)	(71,882)	(38,506)	(115.37)
Net cash inflow from financing activities	59,454	(24,825)	(84,279)	(141.75)

Change analysis

1. The decreasing of net cash inflow from operating activities: Mainly due to an increase in notes receivable and a decrease in accounts receivable, an increase in inventory, a decrease in notes payable and an increase in accounts payable, an increase in contract liabilities, and an increase in the company's pre-tax net profit in 2025 compared to 2024.
2. The decreasing of net cash inflow from investment activities: Mainly due to an increase in cash outflows for equipment payments during the year.
3. The decreasing of net cash outflow from financing activities: Mainly due to due to an increase in short-term borrowings and repayments, and a decrease in long-term borrowings and repayments during the period.

(2)Analysis of cash flow in the coming year

Unit:NT$ thousand

Cash balancing -beginning of year	Net cash flow from operating activities throughout the year	Net cash outflow throughout the year	Cash balance	Leverage of Cash Deficit	
				Investment plan	Financing plan
$478,159	($ 54,786)	($ 175,806)	$302,353	—	—

1. Analysis for the changein cash flow in the coming year:

(1)Operating activities: Receivables from various project milestones are expected to exceed related costs and expenses, resulting in an estimated cash outflow of NT$54,786 thousand from operating activities in 2026.

(2)Investment activities: Mainly due to Zhejiang HorngShiue's purchase of 2,000 tons of machinery and equipment, and Shanghai HorngShiue and Zhejiang HorngShiue's purchase of office equipment, totaling NT$61,181 thousand.

(3)Financing activities: Due to the need to repay NT$90,000 thousand in bank loans maturing at the end of this period for Shanghai HorngShiue and Zhejiang HorngShiue, and the anticipated renewal of bank loan lines in early 2027, a net cash outflow of NT$59,839 thousand is expected.

2. Improvement plan for Illiquidity:

In terms of negotiating financing with banks or financial institutions, the company actively seeks favorable measures to increase the long-term debt ratio. way to adjust the debt structure. In terms of business, in addition to actively seeking orders with higher gross profit, and actively collecting accounts receivable on the account to relieve the pressure on the company's account funds.

4. Impact of Major Capital Expenditure in the Past Year on the Financial Status

The HorngShiue Group had no significant capital expenditures in the most recent year..

5. Joint Venture Policy in the Past Year, the Main Reason for Its Profit or Loss, the Improvement Plan and Investment Plan in the Next Year:

(1)Reinvestment policy

The Group’s management to reinvestment enterprises complies with relevant regulations of the Group’s internal control system, and stipulated “Monitoring and Management System to the Subsidiary”, “Management Regulations for Counterpart, Specified Corporations and Group Enterprises” as the regulation. The Group’s accounting unit also regularly collects and analyzes financial statements of invested corporations to understand operation status of reinvestment businesses.

(2)Main reasons for profit or loss for reinvestments in the past year and improvement plan

Unit: NT$ Thousand

Invested Company	Direct(Indirect) Shareholding Ratios	Recognized investment profit/loss in 2025	Reason for Its Profit or Loss	Improvement Plan
HORNG SHIUE INDUSTRIAL Co., Ltd.	100.00%	94,469	Mainly due to recognized reinvestment benefits for Shanghai HorngShiue and Zhejian HorngShiue.	-
ShangHaiHorngshiue Industrial Co., Ltd.	100.00%	15,311	In 2025, the main reason was that the vehicle assembly plants as a whole were operating normally (vehicle assembly plants are labor-intensive industries), and many projects had gradually returned to normal after final acceptance, resulting in profits in this period.	-
Zhejiang Horngshiue Industrial Co., Ltd.	100.00%	80,951	In 2025, the main reason was that the vehicle assembly plants as a whole were operating normally (vehicle assembly plants are labor-intensive industries), and many projects had gradually returned to normal after final acceptance, resulting in profits in this period.	-

(3)Investment plan in the coming year：None.

6. Analysis and Assessment of Risk Issues

(1) The impact of interest and exchange rate changes and inflation on the Company's profit and loss and future counter measures

1.Interest rate

The interest expense of the Group in 2024 and 2023 was NT$28,695 thousand, and NT$24,282 thousand accounted for 1.50% and 1.40% to operating income, revealing that the interest rate movement has considerate influence on the Group's profit. The Group's financial department observes the interest trend any time, and establishes and maintains good relationships with financial institutions to acquire lower capital cost and carries out capital increase by cash in time to decrease the liability to decrease the interest rate risks, and after listed in the future, we will acquire capital with lower capital cost through capital market to reduce bank dependency.

2. Exchange rate

The Group's production activity is mainly in China, and most ingredients are acquired at China, only some part of main production equipment are purchased from regions outside China. As of sales, ratio of domestic sales in China is 88.82% and 70.19% in 2024 and 2025,revealing the Group's low exchange rate risks, as foreign exchange gain (losses) in 2024 and 2025 are (NT$4,188) thousand and (NT$2,983) thousand, respectively, whose percentages to operating incomes are not high, and the Group adopts conservatism principle for foreign currency capital management. To reduce the influence by exchange rate change on the Group's profit and loss, the Group will collect exchange rate data any time to make judgments on exchange rate changing trend as the reference of foreign exchange settlement, and as for strategy, every effort is made for the balance of foreign currency assets and liabilities as well to acquire natural hedge effects and reduce influences generated by exchange rate fluctuation.

3. Inflation

Through signing annual contracts with Styrofoam model, casting part and hardware suppliers to lock main raw material price, the Group avoids influence on profit by raw material price fluctuations, and there are no effect from inflation in last year and as of the publication date of the annual report.

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

The Group always holds the principle of focusing on main businesses and down to earth for running the business, and for financial policies we apply the conservatism principle, and we had not engaged in high-risk and highly leveraged investments, endorsements and guarantees, derivative tradings, and aside from loans among individual units in the Group, loans to other enterprises and individuals had not been implemented in the most recent year and up to the publication date of the annual report, thus no material unfavorable impact are present for the Group's financial operations so far. The Group has stipulated relevant regulations, such as "Operation Procedures of Loans to Others", "Operation Procedures of Endorsements and Guarantees" and "Handling Procedures of Acquisition and Disposal of Assets" to serve as the basis for conducting relevant matters, therefore, relevant risks should be constrained.

(3)Future R&D plan and planned input R&D expenses:

The Group's product is automobile sheet metal dies, whose appearance and specification is designated by main automobile manufacturers, hence the Group holds the technology autonomy principle, together with technology collaboration with foreign advanced enterprises, to continuously improve and refine the design technology and process research and development, and actively nurture R&D professionals, meet the customers' demands to keep developing dies of high strength and special materials, and increase yields of finished goods and decrease production cost via craft technology improvement.The ratios of R&D expenses to operating incomes of the Group in 2024 and 2025 are 1.45% and 2.02%, respectively. In the future, we will maintain such level, and keep inputting R&D fees to improve product competitiveness.

Environment protection and energy-saving of automobile's lightweight have been the global consensus, and in order to realize lightweight, we can start from three aspects, structure design, material application and manufacturing technology, where the adaptation of material application has been the most direct and effective way, such as high strength thin steel sheet application and aluminum/magnesium alloy material application. The Group is a leading high-strength sheet dies manufacturer, and is the earliest firm to engage in automobile high strength die development, and our success experiences include that most of the high strength parts inside the chassis in every car series of ShangHai General Motor (SGM) are manufactured by the

Group, especially that tensile strength of the SGM SKODA's front and rear doors impact beam is up to 1450Mpa (The highest strength in cold stamping part ever), and its dies are also developed by the Group. Through numerous success experiences (listed in the table below), the Group had collected relevant technological parameters to build the database, providing technological assistance to new development projects, and in the future we will continue to optimize technology for high strength steel sheet field to increase success rate and decrease development cost to raise the market competitiveness.

Moreover, the Group's aluminum alloy part dies also have successful development case for the left and rightside wall external sheet dies being the highest difficulty in car-body dies. The Group has acquired forming characteristics and relevant parameters of aluminum alloy material and set project of aluminum alloy dies for research and development to target extensive applications of aluminum alloy material for high-end automobiles and new energy automobiles, actively participate in the prior-period technology interaction and seek to adopt collaboration strategy with international major manufacturers, and to acquire related orders subsequently, and in the future we will broaden business of the aluminum alloy material application project.

(4) The impact of important domestic and oversea policy and regulation changes on the financial status of the Company and counter measures:

The Company's registration country is Cayman Islands, and is an economic open country with no exchange rate restriction, and the investment environments are stable. The major operation location is China, and the political and economic environment is still stable. The Group's products production and sale and operation implementation is conducted according to the national policy and law of the registration country and operation location country, and we are aware of and acquire policy development and law change any time to assess influences on the Group to facilitate the Group to take appropriate counter measures. There is no material influence on the Group's financial operationdue to change in domestic and foreign important policies and law in the most recent year and as of the most recent period as of the publication date of the annual report.

(5)The impact of technological and industrial changes on the financial status of the Company and counter measures

In recent years, as the technology changing for the better rapidly and safety and energy-saving and environment protection being emphasized for global automobile industry, except of acquire technology trend of automobile industry any time, the

Group also implements innovation and R&D for thickness, property and high confidence characteristics of various car-body materials, such as aluminum and high-strength steel material, and implements synchronize development with car manufacturer to acquire development trend of automobile industry, therefore there should be no material unfavorable influence by technology and industry change on the Group's financial business. For information security risks, please refer to Section 5, Operation Overview Section 6, Information Security Risk Management.

(6) The impact of corporate image change on the Company's crisis management and counter measures

Since establishment, the Group has focused on its main businesses, and continued to enhance the internal management and improve the quality optimization to build professional image of the Group, and the product quality is recognized by major automobile manufacturers, and the Company's brand image has a good reputation among the industry, therefore there should be no corporate image changes taken place.

(7) Expected benefits, possible risks of M&A and counter measures

Up to the publication date of the annual report, the Group has not had any plan concerning merge and acquisition, and if any M&A plans are planned in the future, we will assure shareholders' rights as the premise and conduct the M&A according to the law and internal regulations of the Company, and carefully assess its comprehensive effects.

(8)Expected benefits and possible risks of plant expansion and countermeasures

In order to cooperate with the future operation expansion plan, the Group has invested in the establishment of a new company in 2020, named "Zhejiang Horngshiue Industrial Co., Ltd.", and has started production in the fourth quarter of 2020, which will help the Group to expand operations scale, reduce production costs and enhance overall competitiveness, the possible risk of plant expansion is still limited

(9) The impact of concentration of purchase or sales and counter measures

1.The impact of concentration of purchase and counter measures

Major suppliers of the Group is at China, and have good performances in lead time, price and quality, and the Group has always maintained a good relationship with the supplier, which poses positive effects for aspects such as reducing costs, product safety and reliability, stable quality and grade of fit of lead time. In both fiscal years 2024 and 2025, only NRHC Co., Ltd. purchases accounted for more than 10% of total purchases, reaching 11.57% and 13.45% respectively. This was because the contract projects in fiscal years 2024 and 2025 used more castings from NRHC Co., Ltd. Purchases from other suppliers did not account for more than 10% of total purchases, indicating that the Group does not face the risk of concentrated purchasing. For each major purchase category, the Group maintains more than two suppliers and maintains long-term, good cooperative relationships with each supplier to ensure the stability of supply sources; therefore, there is no risk of concentrated purchasing.

2. The impact of concentration of sales and counter measures

For single car-type, development from design to mass production could take about four years, and normally an automobile has 250 to 320 car-body parts regardless of their sizes, the required mold number is roughly 1,000 to 1,200 sets based on different quality demands, production condition and precision levels, and that for single car-type, the production of molds would not be depend on only single mold factory, thus selling peak periods for each car manufacturer are not necessarily identical to the Group, in addition to enormous customer number, the Group adopts customized way for order-taking, production and sales, which is not the normal mass-production industry, and changes in sales percentage to customers is primarily caused by the indefinite schedule for new car-type development and old car model-changing for each car manufacturers, which is the normal characteristic of automobile die industry, therefore there should not be any risk resulting from concentration of sales.

(10) The impact of mass share transfer of or change of Directors, Supervisors or shareholders holding more than 10% of the Company's shares, the risks and counter measures

From the established of our company to the publication date of the annual report, only major shareholders had transferred shares due to personal financial plan and adjustment of equity structure, yet it does not change the major shareholders thus no impacts on the Group thereby.

(11) The impact of the change of management on the Company, the risks and counter measures:

There were no changes in the Company's right to operate in recent year and up to the publication ofthe annual report. The Company has strengthened various corporate governance measures andintroduced independent directors to set up an audit committee with a view to enhancing the protectionof the overall shareholders’ equity. Moreover, the Company's daily operations rely on professionalmanagers. The strong professional manager team has a considerable contribution to the Company'soperating results, and should be able to continue receiving the support from shareholders in the futureTherefore, if there is a change in the Company's right to operate, it should not have a major negativeimpact on the Company's management and operational advantages.

(12) If there is any litigation or non-litigation, please list the significant litigation, non-litigation or administrative litigation with its judgment already made or pending which is related to the Company or the Company's Directors, Supervisors, General Manager, actual person in charge, shareholders holding more than 10% of the Company's shares or affiliates. If the result may have a significant impact on the shareholders' equity or the price of the Company's shares, please disclose the fact of the dispute, the claim amount, the date of commencement of the litigation, the principal litigants and the handling of the situation as of the date of publication of the annual report:

There had not been any significant litigation, non-litigation or administrative litigation with its judgment already made or pending which is related tothe Company or the Company's Directors, Supervisors, General Manager, actual person in charge, shareholders holding more than 10% of the Company's shares or affiliates in this year as of the publication date of the annual report.

(13) Other important risks and counter measures:

1. The overall economic, political and economic environmental, foreign exchange, law risks.

The Company is registered at the Cayman Island, and the primary operation location is at China, therefore overall economic, political environment change and law change at the registration and primary operation location will influence the Group's operation status.

2. Shareholders' equity protection

Company Acts at the Cayman Islands and the R.O.C. have many different regulation, and there are many different regulations concerning corporation operations at both locations, the investors could not compare and apply the legitimate rights protection point of view of investments for R.O.C corporations to the invested Cayman Islands corporations, and they should firmly understand and consult to experts to confirm whether or not investing Cayman Islands corporations has the risk of not receiving protection of shareholders' equity.

3. Risks concerning statements made in this annual report

(1) Facts and Statistics Certain information and statistics in this annual report are

obtained from various statistical publications and such information may not be accurate, complete or up to date. The Company makes no representation as to the truth or accuracy of such statements and investors should not place undue reliance on such information to make investment decisions.

(2) Forward-looking statements and risks and uncertainties contained in this annual report This annual report contains certain forward-looking statements and information about the Company and its affiliates. Such statements and information are based on the beliefs, assumptions and information currently available to the Company's management. Such statements are subject to a number of risks, uncertainties and assumptions, and investors should consider carefully that reliance on any forward-looking statements involves known and unknown risks and uncertainties.

4. Information security risk evaluation:

In order to maintain normal operation of relevant information systems, equipment and network and guarantee confidentiality in computer information process, the Company has established information management system, introduced information security protection equipment and software to avoid information security events, such as vicious attack or vulnerability-induced information leakage, and implemented backups for important data to assure data completeness and decrease loss risk.

In summary, although the Group faces the above risks, whether they will occur or not still depends on many uncertain factors in the future and the Group’s response measures.

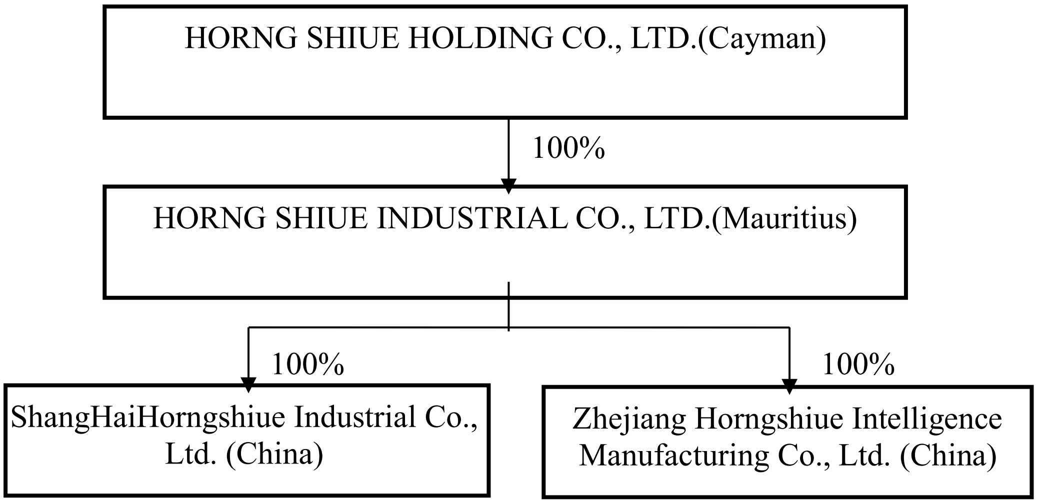
7. Other important matters: Nil.

VII. Special Notes

1. Information about the Company's Affiliates

(1) Affiliated business merger business report

A. Chart for Affiliates



B. Basic Information for affiliates

May 31, 2025; Unit: Foreign currency Thousand dollars

Enterprise Name	Establish ment Date	Address	Paid-in Capital	Main Business and Production
HORNG SHIUE INDUSTRIAL Co., Ltd.	2003.06	3rd floor, Raffles Tower, 19 Cybercity,Ebene, Mauritius	USD 36 million	Holding company
ShangHaiHorngshiue Industrial Co., Ltd. (China)	2000.09	No. 100, Rongchang Road, Chedun Township, Songjiang District, Shanghai City.	USD20 million	Manufacture, machining and sale of automobile dies
Zhejiang Horngshiue Industrial Co., Ltd. (China)	2018.01	No. 999, Huxun Boulevard, S. Xun District, Huzhou City, Zhejiang Province	USD 9.1 million	Manufacture, machining and sale of automobile dies

C. Information about common shareholders of entities presumed to have a controlling and subordinaterelationship: Nil.

D. Overview of the operations of the affiliates

Our Company and affiliates' operating businesses include manufacturing and selling a variety of car molds, gauges, and fixtures.

E. Information about the directors, supervisors and general managers of the affiliates

May 31 2026；Unit: thousand shares, %

Affiliate	Title	Name or representative	Shareholding	
			Share	%
HORNG SHIUE INDUSTRIAL Co., Ltd.	Chairman	LIN,WEI-YUAN	—	—
ShangHaiHorngShiue Industrial Co., Ltd.	Executive Director	LIN,WEI-YUAN	—	—
	Supervisor	CHEN,QING-MEI		
	General Manager	LIN,WEI-YUAN		
Zhejiang Horngshiue Industrial Co., Ltd.	Executive Director	LIN,WEI-YUAN	—	—
	Supervisor	DAI,YU-HUA		
	General Manager	LIN,WEI-YUAN		

F.Information about operation of affiliate enterprise

December 31,2025;Unit: foreign currency thousands

Enterprise name	Capital	Total asset	total liability	Net value	Operate income	Operation profit	Current profit and loss after tax	Earning per share after tax
HORNG SHIUE INDUSTRIAL Co., Ltd.	USD 36,000	USD 29,063	USD 0	USD 29,063	USD 0	USD 3030	USD 3030	USD 0.08
ShangHaiHorngShiue Industrial Co., Ltd.	USD 20,000	RMB 466,528	RMB 387,638	RMB 78,890	RMB 287,726	RMB 3,504	RMB 2,121	—
Zhejiang Horngshiue Industrial Co., Ltd. (China)	USD 9,100	RMB 282,041	RMB 192,683	RMB 89,358	RMB 172,008	RMB 18,527	RMB 17,740	—

(2)The consolidated financial statements and statements of the affiliates

Foreign company doesnot need to follow the regulations of preparation codes to prepare consolidated financial statementsof affiliate enterprisesandsubmit statements.

(3)Relationship report

Our company is not subordinate company defined in the company law affiliated enterprise, so it does not apply to the report.

2. Private placement securities in recent year and as of the date of this annual report: none.

3. Other necessary supplement:None.

4.Explanation of major differences with my country's regulations on the protection of shareholders' rights and interests

The Company has stipulated important contents protecting shareholders' equities in articles of incorporation or other internal regulations based on the Checklist of protection issues of shareholders' equity in registration country for foreign issuers (hereinafter, "Checklist of protection issues of shareholders' equity") stipulated by Taiwan Stock Exchange Corporation. However, for the following issues, due to restrictions of Cayman Islands laws, differences emerge between the articles of incorporations and the demands by "Checklist of protection issues of shareholders' equity" and they are described as follows:

Difference Items	**Cayman laws and Description**	**Articles of incorporation regulations and description**
Definition of "Special resolution": Refers to approval by over half of attended shareholders' voting rights at shareholders' meeting attended by shareholders possessing two-thirds or more of total issued shares by the Company. For total shares amount of attended shareholders insufficient to the abovementioned threshold, the corresponding definition becomes that approval by over two-thirds of attended shareholders' voting rights at shareholders' meeting attended by shareholders possessing half or more of total issued shares by the Company.	According to the companies law of British Cayman Island, special resolution in principle refers to the resolution made by approval by two-thirds or more of attended shareholders' voting rights, and legistimate attending number of people for shareholders' meeting is the number of shareholder possessing half or more of total issued shares by the Company.	According to meanings of Securities No. 0991701319 of Taiwan Stock Exchange Corporation on April 13, 2000 and Articles 39 and 2(1) of Articles of Incorporation, the special resolution refers to the resolution approved by two-thirds or more of voting rights of shareholders attended at a shareholders' meeting, which is attended by shareholders possessing half or more of total shares with voting rights issued by the Company, and they attend the meeting by themselves, and for institutional shareholders attending by the legally-authorized behalf, or attended by means of letter of authorization. Hence, it simultaneously satisfies both demands concerning voting percentages by British Cayman Laws and Taiwan's Company Acts for public companies.
1. Unless following the resolutions in shareholders' meetings to reduce capitals, the company could not write-off its shares. Capital reduction should be based on the shareholding ratio by shareholders. 2. Capital reduction may be implemented by share account refund through property other than cash. Refunded property and substitutive amount shall be resolved by shareholders meeting and approved by the shareholder receiving the property. 3. The abovementioned property value and substitutive amount shall	Relevant regulations regarding capital reduction of companies are stipulated in Article 14 to 18 of Company Act in British Cayman Island.	In Article 14 to 18 of Company Act in British Cayman Island, rigorous procedure and practical regulations are set for capital reduction for companies, and relevant regulations are mandatory regulations and could not be altered by articles of incorporation, which exhibits considerate differences to regulations to capital reduction for companies in "Checklist of protection issues of shareholders' equity". To avoid ambiguity, we had obtained Cayman Island lawyers' opinion,thus revised Article 14 of articles of incorporation to make the corporate capital reduction handled approximately by procedures and conditions stipulated by

Difference Items	Cayman laws and Description	Articles of incorporation regulations and description
be reported to R.O.C accountant for audit and certification by Board of Directors prior to the shareholders' meeting.		British Cayman Island Laws and Regulations for Listed Companies. Concerning the regulations of corporate capital reduction in "Checklist of protection issues of shareholders' equity", we changed for repurchasing shares and stipulated the corresponding regulation in Article 24(1) of articles of incorporation to satisfy the regulation demands as stated in the most left column.
1.If shareholders' meetings are to be held outside of the R.O.C boundary, it should reported to Stock Exchange for approval within two days after the resolution by the Board of Directors or the convene acceptance acquisition from the authority by shareholders 2.Whencompanies hold shareholders' meetings outside of the R.O.C boundary, they should appoint professional stock transfer agency within the R.O.C. boundary to handle shareholders' voting matters.	There are no relevant regulations in Company Acts of British Cayman Island.	Since the former Article 31 of articles of incorporation regulates that, "During the listed period, the Company's shareholders' meeting should be held within the R.O.C boundary", and no exceptions, so there is no need to stipulate regulations concerning handling acceptance or report procedures if shareholders' meetings are held at outside of the R.O.C. boundary. Besides, during the listed period, shareholders' meetings are held within the R.O.C boundary for domestic and foreign issuers, but the domestic and foreign issuers will appoint professional stock transfer agency within the R.O.C boundary to handle shareholders' voting matters.
For shareholders continuous for over one year and possessing 3% or more of total amount of issued shares, they should specify clearly in written documents the proposed moves and reasons to require the Board of Directors to convene extraordinary general meetings. If Board does not made convening notifications within 15 days after the requirement, the shareholders could report to the authority for approval and convene on their own.	There is no authority to accept and convene shareholders' meetings at local British Cayman Island.	Since the foreign issuer is the Company established according to the Company Act of British Cayman Island, and there is no authority to review whether or not shareholders could convene shareholders' meetings on their own at local British Cayman Island. Therefore, Article 32 of articles of incorporation states that,For shareholders continuous for over one year and possessing 3% or more of total amount of issued shares, they should specify clearly in written documents the convene moves and reasons to require the Board of Directors to convene extraordinary general meetings, and if Board does not made convening notifications as written requirement demanded within 15 days after acceptance of the requirement, the shareholders made the requirement could convene shareholders' meetings on their own without reporting to the authority for approval. This fulfills the meanings of Securities No. 0991701319 announced by Taiwan Stock Exchange on April 13, 2000

Difference Items	Cayman laws and Description	Articles of incorporation regulations and description
		and it should have no unfavored effects for shareholders' rights.
Shareholders exercising their voting rights via written or electrical means will be regard to as attending shareholder's meeting on their own.	There are no relevant regulations in Company Acts of British Cayman Islands.	For shareholders exercising their voting rights via written or electrical means will be regard to as appointing the chairperson of shareholders' meetings to be their agent in British Cayman Islands. Therefore, as the latter of Article 57 of articles of incorporation regulates, it will be regarded to as appointing the chairperson of the shareholders' meetings to be their agent for such situation, and the agent will exercise the voting rights according to the written or electrical document content.
After exercising voting rights by written or electrical means, those intended to attend shareholders' meeting on their own should revoke the declaration of intention of the precedent voting rights exercising by the identical way of exercising voting rights two days prior to the shareholders' meeting. For overdued revocation, the voting rights exercised by written or electrical means should prevail. After the letter of authorization has arrived at the Company, if shareholders intend to attend shareholders' meeting on their own or through written or electrical means to exercise their voting rights, they should revoke the authorization by writing notifications to the company two days prior to the shareholders' meeting. For overdued revocation, the voting right exercised by authorized agent at attendance should prevail.	There are no relevant regulations in Company Acts of British Cayman Islands.	According to Ogier's opinions, no relevant judicial decision had been made at British Cayman Island so far as he knows.Yet, the British case(which is persuasive to the Bitish Cayman Island court) considers that, even though the shareholder does not following articles of incorporation to revoke the agent authorization would not interfere him or her to exercise his or her voting rights on his or her own, as well as exclude the calculation of the authorized agent's voting right.Therefore, Article 58 and 61 of articles of incorporation regulates that, "After exercising voting rights by written or electrical means, if the shareholder intends to attend shareholders' meeting on his or her own, he or she should revoke the declaration of intention of the precedent voting rights exercising by the identical way of exercising voting rights two days prior to the shareholders' meeting. For overdued revocation, the voting rights exercised by written or electrical means should prevail. But if the shareholder attended the shareholders' meeting and exercise the voting right even as the shareholder did not notify revocation according to this regulation, then the act of the shareholder attending on his or her own and exercise the voting right should be viewed as that he or she had revoked the declaration of intention of the precedent voting rights exercising by written or electrical means according to this regulation.", "After the letter of authorization has arrived, if shareholders intend to attend shareholders' meeting on their own or through written or electrical

Difference Items	Cayman laws and Description	Articles of incorporation regulations and description
		means to exercise their voting rights, they should revoke the authorization by writing notifications to the company or the stock transferagencyat least two days prior to the shareholders' meeting. For overdued revocation, the voting right exercised by authorized agent at attendance should prevail. But if the shareholder attended the shareholders' meeting and exercise the voting right on his or her own even as the shareholder did not notify revocation according to this regulation, then the act of the shareholder attending on his or her own and exercise the voting right should be viewed as that he or she had revoked the declaration of intention of the precedent authorization according to this regulation."Hence, after exercising the voting right through written or electrical means or providing letter of authorization, if the shareholder attends the shareholders' meeting on his or her own and exercise the voting right without revoking his or her declaration of intension of precedent voting right exercising two days prior to the shareholders' meeting according to the Article 58 and 61 of articles of incorporation, even though the shareholder did not actually send revocation notifications, the act of the shareholder's attendance of voting right exercise can be viewed as that the shareholder had revoked the declaration of intension of precedent voting right exercising by written, electrical or authorization means according to the regulations of articles of incorporation, therefore satisfy the regulation of Cayman Island laws.
1.If the company's director or supervisor transfer shares of the company in his or her tenure exceeding half share amounts he or she held as elected, then he or she will be subject to ipso facto dismissal. 2.If the company's director or supervisor is elected, and transfer shares of the company exceeding half share amounts he or she held as elected before he or she takes office, or transfer share amounts exceeding half that held during the suspension	There are no relevant regulations in Company Acts of British Cayman Islands.	Referring to Articles 14(2)-4 of Securities Exchange Laws, independent directors ' sharestransfer does not apply to regulations of latter part of Article 197(1) and Article 3 of Taiwan Company Acts, therefore Article 83(2) and 83(3) clearly excluded applications to independent directors as demanded in the regulation in the most left column.

Difference Items	Cayman laws and Description	Articles of incorporation regulations and description
period of share transfer for a shareholders meeting, the election shall be deemed invalid.		
1.Shareholders continuous for one year or more and holds 3% or more shares of the total amount of issued shares could require supervisors file a litigation toward directors for the company by written means, and could set Taiwan Taipei District Court to be the court of jurisdiction for the first instance. 2.Within 30 days after the shareholder proposed the requirement, if the director does not file a litigation, the shareholder can file a litigation for the company and set the Taiwan Taipei District Court to be the court of jurisdiction for the first instance.	There are no relevant regulations in Company Acts of British Cayman Islands.	As the foreign issuer does not set a director, and by reference of regulations of Article 14(4)-3 of Securities Exchange Law and the meanings of Commerce No. 10000533380 by Ministry of Economy on March 1, 2001, independent directors will substitute the supervisor part in the most left column, and regulates in Article 86 of articles of incorporation that, some shareholders could require any independent director in the audit committee to file a litigation toward the director jeopardizing the foreign issuer by the job responsibility implement or violating Cayman Island Laws, Regulations for Listed Companies or articles of incorporation to the court having jurisdiction(inclusive of Taiwan Taipei District Court) for the foreign issuer.

VIII. Matters in the Past Year and as of the Date of Publication of the Annual Report Which Have a Substantial Impact on Owner's Equity and Securities Price as Stipulated in Item 2, Paragraph 3 of Article 36 of the Securities Exchange Law: None.

Horng Shiue Holding Co., Ltd.

Chairman: Lin, Wei-Yuan