



GEM TERMINAL IND. CO., LTD.



2025 ANNUAL REPORT

The annual report is available at : <http://mops.twse.com.tw>
<http://www.gem.com.tw>

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

I. Names ,Titles, Contact Numbers and E-mails of Spokesman and Acting Spokesman

Spokesman	:	Chen, Cheng-Hao	Acting Spokesman	:	Su, Li-Wen
Title	:	Manager of the Administration	Title	:	Senior Executive Assistant
		Department			
Phone	:	(07) 696-3037	Phone	:	(07) 696-3037
		Email: shareholder@ms.gem.com.tw			
		Email: shareholder@ms.gem.com.tw			

II. Address and phone number of the head office , branch offices and factories

Head office: No.138, Ln. 513, Datong Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)

Branch office: none

Factory: No.138, Ln. 513, Datong Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)

Phone: (07) 696-3037

Tapei Liason Office: 2F., No.223, Sec. 3, Chengde Rd., Datong Dist., Taipei City 103, Taiwan (R.O.C.)

Phone: (02) 2591-7611

III. Name, address, website, and phone of the stock transfer agency

Name: Agent for stock affairs of SinoPac Securities Corporation

Address: 3F., No.17, Bo'ai Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)

Website: <http://www.sinotrade.com.tw>

Phone: (02) 2381-6288

IV. The name of the CPAs of the recent report, the name, the address, the website, and the phone of accounting firm

Names of accountants: Wu, Chiu-Yen, Chang, Tzu-Yuan

Name of accounting firm: Deloitte Taiwan

Address: 3F., No.88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)

Website: <http://www.deloitte.com.tw>

Phone: (07) 530-1888

V. Name of overseas trade places for listed negotiable securities and how to acquire information about listed negotiable securities traded there : None

VI. Company website: <http://www.gem.com.tw>

Contents

I. Letter to Shareholders.....	1
II. Corporate Governance report.....	12
i. Information of directors, supervisors, general managers, deputy general managers, associates, and officers of departments and branches	12
ii. Recent annual payment for directors, supervisors, general managers, deputy general managers	20
iii. Corporate Governance Status	24
iv. Accountant Fees.....	60
v. Change of Accountants	61
vi. The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Firm of the Auditing CPA or Its Affiliated Corporates in the Past Year shall disclose their names, titles and the periods that they signed with the Firm of the Auditing CPA or Its Affiliated enterprises .	62
vii. Particulars about Changes in Shareholding and Equity Pledge of Directors, 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.....	62
viii. Relationships among The Company's top ten shareholders including spouses, second degree relatives or closer	64
ix. The number of shares that the company, directors, supervisors, managers, and the ones that the company controls directly or indirectly are calculated and combined in the comprehensive shareholding ratio. ..	64
III. Fundraising.....	66
i. Capitals and Shares	66
ii. Corporate Bonds	70
iii. Preferred Shares.....	70
iv. Overseas Depositary Receipts.....	70
v. Employee Stock Options.....	70
vi. Restricted Employee Stock	70
vii. Status of New Shares Issuance in Connection with Mergers and Acquisitions.....	70
viii. Financing Plans and Implementation.....	70
IV. Operations Profile	71
i. Business Scope	71
ii. Market, Production, and Sales Overview	71
iii. The number of Employees, average job tenure, average age and the ratio of education for the past two years and as of the publication of the annual report	90
iv. Environmental Expenditure Information	91
v. Labor Relations.....	91
vi. Information Security management.....	101
vii. Important Contracts	103

V. Review and Analysis of Financial Status and Business Results and Risk Issues.....	104
i. Financial Status.....	104
ii. Financial Performance	105
iii. Cash Flow	106
iv. Impact of Major Capital Expenditure in the Past Year on the Financial Status	106
v. Re-investment Policy in the Past Year, the Main Reason for Its Profit or Loss, the Improvement Plan and Investment Plan in the Next Year	107
vi. Analysis and Assessment of Risk Issues	107
vii. Other Important Matters	116
VI. Special Notes	116
i. Information About the Company's Affiliates	116
ii. Private Securities in the Past Year and as of the Date of Publication of the Annual Report.....	116
iii. Other Necessary Supplementary Notes	116
VII. Other Disclosure	116
Matters about major impacts on shareholders' interest or stock price related to Securities and Exchange Act, Article 36, Paragraph 3, Subparagraph 2. in the Past Year and as of the Date of Publication of the Annual Report.....	116

I. Letter to Shareholders

According to the latest World Economic Outlook published by the International Monetary Fund, global economic growth is projected at 3.2% in 2025 and 3.1% in 2026. The report indicates that the global economy is currently undergoing a period of adjustment characterized by geoeconomic fragmentation and policy transition. Amid rising protectionism and supply chain restructuring, global economic growth momentum is expected to gradually moderate, and the overall outlook remains challenging.

Although global inflationary pressures have shown signs of easing, the pace of interest rate cuts varies across economies, and inflation in certain regions remains above expected targets, resulting in sustained pressure from elevated borrowing costs in the market. In addition, labor markets continue to face challenges arising from population aging and skills shortages. Coupled with fiscal vulnerabilities and sovereign debt rollover risks, these factors have further constrained economic growth. In response to potential financial volatility arising from the repricing of technology-related assets, the Company will continue to closely monitor global political and economic developments, strengthen its financial resilience, and enhance governance transparency to ensure stable operations amid an increasingly uncertain environment.

The terminal industry itself is a technically mature industry. Affected by geopolitical tensions and the tariff trade war, GEM Group has leveraged its global layout advantages by swiftly reallocating production facilities. In addition to transferring production equipment to Vietnam GEM to capitalize on its advantages in labor and electricity costs, the group has implemented a sustainable approach where brass scraps generated during the punching and lathe production are directly recycled at the Company's own copper refining plant, thereby avoiding the 22% export tariff imposed on brass scraps in Vietnam. Moreover, Vietnam GEM has the advantage of lower processing costs compared to other copper factories.

In response to the national standard (GB1002-2024) by the People's Republic of China, stipulating the mandatory equipment of insulating sheaths on household plugs to be fully implemented on 1st August 2027, GEM adopts the copper material, which is refined in-house, and add the "patented item" of one-shot molding. Compared with the two-shot molding technology in the industry in general, the Company has the advantages of costs, product quality, and stable production. In response to the mandatory requirements under GB 1002-2024 announced by the People's Republic of China, which require household plugs to be equipped with insulating sleeves, with implementation commencing on August 1, 2025, and a transition period for insulated-sleeve plugs extending until August 1, 2027, when full mandatory enforcement will take effect, the Company has successfully developed an integrated plug terminal with an insulating sleeve. The product is applicable to markets governed by standards such as GB, SAA, and PSE. By utilizing self-smelted copper raw materials together with the Company's patented one-piece forming technology, as compared with the conventional secondary forming processes commonly adopted in the industry, the Company possesses competitive advantages in material savings, labor efficiency, and manufacturing cost reduction.

In response to increasingly important environmental protection issues, the Company has aligned with the European Union's Restriction of Hazardous Substances (RoHS) Directive and global environmental protection trends, and has taken the lead in obtaining safety certifications from VDE Association and British Standards Institution. The Company has comprehensively developed environmentally friendly micro low-lead copper plug products for various international markets to ensure continuous market supply. The Company fully adopts certified C2800 materials and optimized environmentally friendly micro low-lead copper (GEM19-589) as materials for terminal connectors. Through its Vietnam manufacturing facility, the Company independently conducts copper smelting and wire drawing for the production of such copper materials, making the Company the world's only terminal connector manufacturer with fully integrated in-house copper smelting and wire drawing capabilities. In addition, the Company is a first-tier manufacturer with capabilities in the production of environmentally compliant materials and the machining of turned products in accordance with European Union environmental standards. On June 9, 2021, Jian Tong was invited to participate in the online stakeholder meeting on RoHS exemptions under the theme of "A Successful Case of Replacing Electrical Contact Components," where the Company shared its successful conversion experience with industry stakeholders. The consulting association appointed by the European Union evaluated the Company's case as a "Door Opener" for alternative products, demonstrating clear technical feasibility. Although the broad impact of the products makes it difficult to apply the solution across all manufacturing processes, the European Union nevertheless stated in its final report that participants generally recognized Jian Tong's successful conversion case. On

January 6, 2025, the European Union submitted an updated notification regarding RoHS exemption requests to the World Trade Organization Technical Barriers to Trade Committee (TBT Committee). Under exemption item 6(c), covering copper alloys containing lead content not exceeding 4%, an extension of the exemption period through December 31, 2026 was proposed. It is expected that customers will begin initiating relevant certification procedures approximately one year prior to the expiration of the exemption period.

The primary applications for our new multi-gauge strip copper materials are in the markets of new energy vehicles and semiconductor lead frames. The processing techniques for these materials are categorized into two types: Milling and Rolling. GEM's Milling process was acknowledged by Taiwan to handle material thicknesses ranging from 0.25mm to 6mm, with the capability to mill down to a minimum thickness of 0.08mm.

GEM Taiwan has established a specialized advanced copper materials manufacturing facility, making it one of the few high-end manufacturers in the world with integrated Rolling, Milling, and Rolling-plus-Milling composite processing technologies. The facility is capable of independently processing and casting red copper alloys and semiconductor-grade materials. It can directly cast and manufacture products using the Rolling Process, and can further integrate the Milling Process to maximize the advantages of both technologies. Suzhou GEM is able to procure copper flat plates from copper suppliers in Mainland China and further process them into multi-gauge strip copper materials through the Milling Process. Looking ahead, the Company plans to introduce the Rolling Process into Vietnam GEM, enabling Vietnam GEM to manufacture products using the Rolling Process. By leveraging the duty-free advantages under the ASEAN Plus One framework, raw materials produced by Vietnam GEM may be supplied to Suzhou GEM. Through the complementary advantages of the Rolling Process and the Milling Process, the Company aims to minimize raw material costs and maximize profitability. The red copper products manufactured by the specialized advanced copper materials facility commenced mass production in 2025 and have entered a stage of stable and continuous sales. As of 2025, these products have contributed revenue of NT\$265.31 million and are expected to continue contributing to the Company's revenue growth in the future.

GEM Taiwan and Vietnam GEM have recently further expanded its operations by introducing a copper scrap recycling program, diversifying its sources of copper raw materials and further enhancing its cost advantages. Built upon these solid foundations, the quality and supply capacity of the Company's products have earned market recognition and customer trust. At the same time, the Company remains committed to fulfilling its environmental responsibilities and contributing to global sustainability.

Implementation Overview

Impacted by the rapid changes in the overall market environment and uncertainties arising from U.S. tariff policies, revenue from the Company's traditional terminal products declined and fell below expectations. Many customers adopted a wait-and-see approach and prioritized reducing their existing inventory. Meanwhile, production capacity and sales of the Company's new products—specialized advanced copper materials—continued to grow steadily. The sales team also actively expanded market development efforts, and revenue contribution from these products has shown encouraging progress. In 2025, the Group's consolidated revenue amounted to NT\$3,171.77 million, representing a decrease of NT\$16.37 million, or 0.51%, compared with NT\$3,188.14 million in 2024. The decrease was mainly attributable to intensified price competition and severe market saturation in the traditional terminal market, which limited the Company's pricing flexibility in securing orders. Although the production of specialized advanced copper materials has not yet reached an optimal economic scale, the overall learning curve has gradually taken shape. In addition, related labor and other costs such as equipment depreciation have been progressively recognized. As a result, the Group's consolidated gross profit margin in 2025 was 0%, representing a decrease of 6 percentage points from 6% in 2024.

The Group reported a consolidated net loss of NT\$500.76 million in 2025, compared with a net loss of NT\$230.08 million in 2024, representing an increase in net loss of NT\$270.68 million, or 117.65%. Basic loss per share after tax for 2025 was NT\$3.00.

Business Report

1. Implementation results of the business plan:

The main business of the Company and its subsidiaries in 2025 was the sales of connectors (copper products). The consolidated net operating revenue was NT\$ 3,171,773 thousand; the operating cost was NT\$3,179,770 thousand; the operating gross loss was NT\$7,997thousand; the operating expenses was NT\$427,379 thousand; the net non-operating expenses was NT\$50,691 thousand; and the consolidated net loss before tax in 2025 was NT\$ 486,067 thousand.

II. Comparison of Operating Performance (Unit: NT\$ thousand)

<u>Item</u>	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u> <u>Amount</u>
Net operating revenue	3,171,773	3,188,136	(16,363)
Operating cost	3,179,770	3,000,852	178,918
Operating margin	(7,997)	187,284	(195,281)
Operating expenses	427,379	367,181	60,198
Operating net profit (loss)	(435,376)	(179,897)	(255,479)
Net non-operating income (expenses)	(50,691)	(42,868)	(7,823)
Net profit (loss) before tax	(486,067)	(222,765)	(263,302)

III. Comparison Table of 2025 Budget Execution Status (Unit: NT\$ thousand)

<u>Item</u>	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Achievement Rate</u>
Net operating revenue	3,125,279	3,171,773	101.49%
Operating cost	3,126,923	3,179,770	101.69%
Operating margin	(1,644)	(7,997)	-286.44%
Operating expenses	421,786	427,379	101.33%
Net operating profit (loss)	(423,430)	(435,376)	97.18%
Net non-operating income (expenses)	(56,997)	(50,691)	111.06%
Net profit (loss) before tax	(480,427)	(486,067)	98.83%

IV. Analysis of Financial Income and Expenses and Profitability:

Analysis Item \ Year		Financial Information for the Last Three Fiscal Years		
		2025	2024	2023
Financial Structure (%)	Debt to Assets Ratio	69.65	63.21	60.60
Solvency (%)	Current Ratio	96.27	118.06	127.85
	Quick Ratio	67.10	83.19	87.26
Profitability	Return on Assets (%)	(8.55)	(3.25)	(2.69)
	Return on Equity (%)	(28.78)	(11.29)	(7.85)
	Net Profit Rate (%)	(15.79)	(7.22)	(6.70)
	Basic Earnings (loss) Per Share (after tax) (NT\$) (Note 1)	(3.00)	(1.39)	(1.05)
	Diluted Earnings Per Share (loss) (after tax) (NT\$) (Note 1)	(3.00)	(1.39)	(1.05)

Note 1: The calculation is based on the weighted average number of outstanding shares.

V. Analysis of 2025 Research and Development Status:

The Group's research and development in 2025 was mainly input in the development of the following products/processes:

- (1) Completed the development of plug terminals for various countries, terminals for automotive wheel industries, and housing.
- (2) Continued to expand the production capacity of terminals utilize flat wire brass material and injection molding processes.
- (3) Completed the development of the 32-cavity SAA terminal injection molding process.
- (4) Completed the development of multi-gauge strip copper materials.
- (5) Completed the development of 10 sets of VDE hollow copper rods and commenced production.
- (6) Completed the development of an automated assembly machine for PSE Rotating Plugs.
- (7) Completed the development of UL receptacles integrated with neon lamp and LED products, as well as their automated assembly machines.
- (8) Completed the development of the injection molding process for 24-cavity electrical terminals.
- (9) Completed the development of one-piece molded products for GB 2-pin and 3-pin plugs (10A and 16A), as well as SAA semi-insulated round-to-flat terminals.
- (10) Completed the development of multi-cavity molds for wiring harness terminal HOUSING products.
- (11) Completed the introduction of piercing terminal technology for enameled wire applications.
- (12) Completed the development of fine-grain copper rods (bars), busbars, and copper plates (strips), and commenced commercial production and sales.

Operation Policy

In response to escalating global trade tensions and policy uncertainties in the global economy, GEM Group has strategically realigned its operational footprint by leveraging the strengths of each regional operation to mitigate the impact of U.S. tariffs and policy changes. With the continued improvement in the Group's cost structure and the ramp-up of its new products—specialized advanced copper materials—the Group expects both consolidated revenue and gross profit margin to recover on a quarter-by-quarter basis. GEM Group is well prepared to embark on a new stage of growth and move toward a new milestone.

1. GEM Terminal Ind.: Continual technological development of specialized advanced copper materials technologies to establish a solid foundation for serving the semiconductor market.

- GEM Precision has established a specialized advanced copper materials manufacturing facility, primarily focusing on the casting and production of red copper products, creating clear product differentiation from Vietnam GEM, which specializes in the smelting of brass materials within the Group's product portfolio. By leveraging its strategic location, GEM Precision is able to provide prompt supply to the semiconductor market for applications such as lead frames, as well as the new energy vehicle market and other red copper-related application markets, including fine-grain copper rods, copper flat plates, busbars, and multi-gauge strip copper materials.
- Multi-gauge strip copper materials are primarily applied in the new energy vehicle (NEV) and semiconductor markets, such as applications for lead frames. The processing technologies for such products are mainly divided into two categories: the Milling Process and the Rolling Process. The Milling Process is primarily applied to NEV-related products. Its key technical advantage lies in avoiding product instability caused by residual internal stress. The major competitors for this category of multi-gauge strip copper materials include Wieland Group and KME Germany GmbH, among others. The Rolling Process, on the other hand, is primarily applied to the semiconductor market, such as lead frame applications. Its key advantage lies in reducing material cutting and machining costs. By integrating Vietnam GEM's optimized copper refining technology, the Group is able to further eliminate residual internal stress in Rolling Process products.
- GEM is currently the only first-tier manufacturer in the industry equipped with both the Milling Process and the Rolling Process, providing fully integrated dual-process capabilities. Depending on product requirements, the Company is able to directly process multi-gauge strip copper materials through the Rolling Process, breaking the long-standing reliance on imported products previously dominated by overseas suppliers. The Company has also filled a critical gap in Taiwan's copper refining industry and contributed to the overall upgrading of the industry. Furthermore, by integrating the advantages of both the Milling Process and the Rolling Process, GEM is able to comprehensively meet diverse market demands while achieving an optimal balance between product quality and cost efficiency.
- Busbars are primarily used in power distribution systems for electrical power distribution applications, serving as conductors for high-current electrical equipment, such as the connection of phase conductors, neutral conductors, and grounding conductors in power distribution cabinets. They are also widely used in high-voltage and low-voltage electrical equipment, switch contacts, as well as in high-current smelting and electroplating applications. In addition, busbars can be applied in high-current power distribution scenarios, including

commercial buildings, data centers, and industrial facilities, offering advantages such as excellent electrical conductivity, high current-carrying capacity, ease of processing, and high reliability. As busbars, heat sinks, and vapor chambers share the same high-thermal-conductivity copper materials and similar processing capabilities, the related technologies can be further extended to the manufacturing of thermal management components, including copper base plates, cooling fins, and vapor chambers. These technologies effectively spread heat sources and reduce temperature differentials in high heat-flux-density applications, further expanding the Company's cross-domain product portfolio in both power distribution and thermal management applications.

- GEM Terminal Ind. demonstrates sophisticated and well-established research and development capabilities, enabling the customization of products to meet the specific needs of clients in the semiconductor and new energy vehicle industries. Coupled with precision mold development, the Company excels at satisfying the advancing demands of innovative technology.

2. Suzhou GEM and Dongguan GEM: Further strengthen presence in China's domestic market for NEV multi-gauge strip copper materials and GB-compliant insulated terminals.

- Automotive multi-gauge strip copper materials (*for automotive wiring harness terminals used in both new energy vehicles and conventional fuel vehicles*) are primarily manufactured by procuring copper flat plates from local suppliers in China for further precision processing. For connector applications requiring multi-gauge strip copper materials, as well as high-power IGBT Insulated-gate bipolar transistor lead frame and thermal dissipation applications in the NEV market, the Company applies its precision milling process to meet demanding product specifications. With comprehensive Milling Process capabilities, GEM is able to satisfy customers' customized product requirements. The Company successfully passed the VDA 6.3 qualification audit in 2021. The products subsequently obtained customer qualification approval by the end of 2023, commenced mass production and commercial shipment in 2024, and deliveries in 2025 increased by 99% compared with the total shipments for the full year of 2024.
- Leveraging its industry-leading multi-gauge strip copper materials technologies, GEM has successfully expanded into the fuse materials market. The world's leading fuse manufacturer, Littelfuse, began collaboration with the Company at the end of 2023, and by 2024, multiple products had entered commercial transactions. In addition, the world's third-largest fuse manufacturer, Jimen of China, has reached a preliminary consensus with Suzhou GEM to establish a strategic partnership for joint product development.
- China has officially mandated that, effective August 1, 2027, GB-standard plugs must be equipped with insulating sleeves. In response to this regulatory requirement, GEM completed the application for an invention patent for one-piece molded insulated plug products in 2023. Compared with the conventional secondary forming processes commonly adopted in the industry, the Company's patented technology offers competitive advantages in reducing material consumption, labor requirements, and manufacturing costs. The Company expects this technological advantage to significantly enhance future revenue growth and market share expansion. In addition to GB-standard insulated plugs for the China market, the Company has also expanded the development of one-piece injection-molded insulated terminal plugs for CNS standards in Taiwan, JIS standards in Japan, and SAA standards in Australia.

- In response to changes in the market environment in Mainland China and the Group's strategic business realignment, GEM Group carried out an operational integration of its Dongguan, Suzhou, and Vietnam manufacturing facilities in September 2025, consolidating outstanding talent and production capacity across these operations. As part of this optimization initiative, the workforce structure of the Dongguan facility was streamlined, and selected key personnel were strategically reassigned to Suzhou GEM and Vietnam GEM to further optimize resource allocation. The Group expects these measures to further enhance operational efficiency and improve overall production productivity in the future.
3. Vietnam GEM: Continual vertical integration; and provision of products featuring optimized copper refining technology.
- Vietnam GEM's copper smelting plant primarily focuses on smelting brass products such as terminals and plug connectors. With relatively low capital expenditure for establishment, it holds a cost advantage over other copper plants in terms of processing. In light of the 22% export tariff imposed on brass scraps by the Vietnam government, Vietnam GEM has implemented its own copper scrap recycling projects in 2025, making the obtainment of copper raw materials more diversified and costs more advantageous.
 - Vietnam GEM's well-established and advanced smelting technology consistently supplies the C2800 "Optimized Environmentally Friendly Lead-Free Copper" (GEM Grade GEM19-589), a world-class environmentally friendly lead-free copper product, to various regions within the Group to comply with the EU ROHS2.0 directive issued in 2011. This directive explicitly prohibits the importation of lead-containing free-cutting brass rods into EU territories. Following the initiation of a new RoHS project (PACK22) on 15th December 2020 by the European Commission, GEM Terminal Ind. was invited to participate in an online stakeholder consultation conference, "GEM Terminal Ind.-Successful Case in Replacing Electrical Contact Components", for RoHS Exemptions on 9th June 2021. Given the extensive impact of the product and its difficulty in application across all processes, the EU ultimately decided to grant an extension for the exemption. On January 6, 2025, the European Union submitted an updated notification regarding RoHS exemption requests to the World Trade Organization Technical Barriers to Trade Committee (TBT Committee). Under exemption item 6(c), covering copper alloys containing lead content not exceeding 4%, the European Union has comprehensively promoted the adoption of environmentally compliant copper materials and submitted a request to extend the exemption period through December 31, 2026. It is expected that customers will begin initiating relevant qualification and certification procedures approximately one year prior to the expiration of the exemption period.
 - Tariff incentives for Vietnam GEM: Currently, duty-free privileges are granted upon obtaining a certificate of origin from the ASEAN-China Free Trade Area (ACFTA, or ASEAN 10+1). GEM benefits from Vietnam's participation in the ASEAN 10+1 and the Regional Comprehensive Economic Partnership (RCEP), which stands as the world's most expansive free trade agreement that officially came into effect on 1st January 2022. With its strategic presence in Vietnam, GEM can extend its reach beyond Southeast Asia, further covering a wide array of global markets

The GEM Group is committed to supporting government policies and striving for ESG goals (Environmental protection, Social responsibility, and Governance). We have been promoting green manufacturing, aiming for high environmental standards such as zero waste water discharge, leading the way in environmentally friendly lead-free copper, and implementing a circular economy for scrap recycling. We actively invest in environmental protection, long-term support for talent education at schools, and caring for the underprivileged and animal welfare. We hope, through innovation and a macro perspective, to do our best in our duties for employees, shareholders, customers, suppliers, stakeholders, and the social environment, and create maximum interests for shareholder, while gaining profit for the Company, in anticipation of moving towards corporate sustainable development.

Important Production and Marketing Policy

Based on the current economy, market supply and demand, and sales policy, the expected sales volume of products of the Group in 2025 is 3,300,000 thousand PCS.

In respect of production, GEM group owns the professional process capability for the assembly processing in product development, mold design and manufacturing, copper smelting, multi-gauge strip processing, stamping, injection, automatic lathe, electroplating, and automatic assembly, etc.

Under the pressure of increasingly rising manpower mobility and labor cost, GEM Vietnam, invested by the GEM Group, was put into production in March 2016. In order to respond to changes of transfer of market supply and demand under the influence of the China-US trade war, GEM Vietnam acquired the certification of the addition of production site of USA certified Products in the end of 2019, and prepared equipment for the production process of the said products, constructed and put into operation. In 2023, capital was injected to expand equipment in the Vietnam plant, and increase the complete production lines of products in anticipation of expanding markets in Vietnam and Southeast Asian nations. The smelting capacity of GEM Vietnam has reached 700 metric tons per month in 2024, resulting in increasing 1,650 metric tons and a growth rate of 99.43% compared to 2023. In order to further achieve benefits of copper smelting process in the Vietnam plant, an application for purchasing recycled local waste copper has been sent at the end of 2023. The application was approved in 2025 and is currently awaiting the issuance of relevant permits from local government authorities. GEM Vietnam even optimized self-smelting, developed mass production of optimized environmental-friendly micro lead-free materials, which may be respectively applied to turning or turning with stamping, so that GEM became one of the top manufacturers which has the capability to smelt copper and produce both terminal and connector.

In 2024, the Group integrated the production capacities of GEM Suzhou and GEM Dongguan, consolidating management to make GEM Dongguan a contract manufacturing plant for GEM Suzhou, and horizontally expanding the development of high-value-added products related to automobiles. Currently, 10 production lines are in operation, and 20 additional lines space has been extended. An expansion of 5 additional production lines is scheduled for completion by May 2025. On July 24, 2024, the National Standardization Administration of the People's Republic of China issued the Standard No. GB 1002-2024, mandating the use of insulation sleeves on live bolt in plug products. The standard will take effect on August 1, 2025, with mandatory enforcement beginning on August 1, 2027. GEM TERMINAL Group completed the application for an invention patent of one-shooting molding of terminals in plug products on June 30, 2023. The Company with cost advantages in materials, equipment setup, labor, and manufacturing, compared to conventional secondary machining techniques in the industry. To secure a first-mover advantage, the Company has proactively implemented multiple adjustments to its stamping and injection molding development parameters in response to the newly promulgated regulatory standards. During the drafting of the standard, the Company provided technical and safety-related recommendations to the National Standardization Administration of the People's Republic of China, with the objective of enhancing electrical safety, elevating industry technical thresholds, and preventing non-compliant or vicious competitive practices. In addition to compliance with China's national standards for 6A, 10A, and 16A insulated terminal plugs, the Company has further extended the application of our proprietary one-shooting molding technology in developing insulated terminal plugs of Taiwan CNS, Japanese, and Australian SAA standards.

GEM in Taiwan also start the construction program of the special new copper milling plant in 2022, by the second half of 2023, the construction was completed, with production commencing in 2024. Sample deliveries and limited sales began in the third quarter of 2024. The initial facility currently has a monthly production

capacity of up to 500 metric tons. To accommodate future market demand, the Company plans to construct an additional copper casting facility, fully equipped with new machinery on recently acquired land, with an expected capacity increase of 500 to 1,000 metric tons. The said facility's primary products include refined copper flat sheet materials, busbars, and multi-gauge strip copper materials. Refined copper flat sheet materials offer a high degree of customization to meet diverse customer requirements and are characterized by rapid delivery timelines. Taiwan's still reliance on imports for busbars now and GEM Terminal Ind. is the sole domestic manufacturer and with steady growth in shipment volumes. Multi-gauge strip copper materials are applications across the semiconductor and new energy vehicle sectors. GEM Terminal Ind. is among the few global manufacturers capable of performing rolling, milling, and integrated rolling mill processes. The rolling method is mainly applied in the semiconductor market, particularly for power frames and lead frames. Leveraging proprietary casting technology, GEM Terminal Ind. could directly roll processing multi-gauge strip copper materials, offering the advantages of reducing material wastes and processing costs. Major competitors in this segment include Mitsubishi Materials and Hitachi from Japan. On the other hand, the milling method is mainly applied in new energy vehicle products and vehicle connectors, offering the advantage of avoiding instability caused by residual internal stress in the products. With more than 30-years of milling expertise, GEM Terminal Ind. has been recognized by TE Connectivity Ltd., a leading global manufacturer. Major competitors in this segment include Weiland and Kemper from Germany. Flat copper materials can be highly customized to meet customer requirements while also providing rapid delivery lead times. Revenue generated from special new copper material products from March to December 2025 reached NT\$260 million (with January to February serving as trial shipment periods). Revenue for the first quarter of 2026 had already reached NT\$248 million. The Company's comprehensive sales model, which includes both processing services and material supply, has made substantial contributions to both revenue growth and profitability.

As a whole, GEM Group will orient itself towards full automation, high speed, large capacity, and modurization of modules, in terms of production process to maximize equipment capacity, effectively reduce manpower, accompanied with sales and production strategies, and increase machine utilization; besides, the Group introduced new production technology from Europe and US, to improve process capability and quality of existing products, and further change production modes of products for reducing production cost, stabilizing product quality, and enhancing competitiveness.

For recent years, GEM Group makes strenuous efforts in promotion of sales and marketing. In addition to solidifying the existing customer sources, we actively opened new marketing bases in each province of China for developing the domestic demands in new China markets; meanwhile, we actively conduct on-site visits at the plants of customers who established plants in Southeast Asia, and provide them with opportunities for direct service from our plant in Vietnam. Under the influence of tariff shocks imposed by the United States, supply and demand underwent rapid changes. GEM was ready to adjust production to satisfy each need of customers. In the future, GEM's products will be developed in the following directors:

- (1) High-speed turning machining technology application: Apply MIKRON high-speed turning technology, successfully develop environmental-friendly micro lead-free products in response to ROHS2.0 of UN requirements, combine each turning process equipment, and use turning or turning, stamping, and electroplating technology to exploit market of machining parts.
- (2) Processing technology application of multi-gauge strip copper materials: GEM has more than 30-years of experience in mulit-gauge strip processing technology, multi-gauge strip materials are widely used in electrical plugs and lead frames. Recently, we have developed towards material of connector terminals for automobiles. GEM adopted milling machining method to produce multi-gauge strip materials, which are consistent with the requirements of connector terminals, and can be used in automotive substrate terminals, airbag sensor terminals, battery connecting terminals of new energy cars, etc.
- (3) Invest in the production of special new copper materials: At present, special new copper materials in the Taiwan market are almost imported from foreign countries. With copper smelting experience and multi-gauge strip processing technology, GEM can fill up vacancies in the market to make the entire industry more competitive.

In addition, recently GEM actively participated in international exhibitions for the purpose of not only increasing the international reputation of GEM's own brand, but simultaneously promoting new products and new technologies to expand GEM's innovative momentum, and collaborate with customers for joint growth. For the domestic sales market in China, due to the requirements of the Standard No. GB 1002-2024 issued by the National Standardization Administration of the People's Republic of China, which mandates the use of insulation sleeves on live plugs in plug products, is expected to GEM could further exploit the huge market in China, targeting an additional NT\$4 billion in revenue and a market share increase to 50%-60%, by leveraging proprietary patented one-shooting molding technology along with its cost advantages in materials, facility setup, labor, and manufacturing.

Effect of Environment of External Competition, Regulatory Environment and Macro Business Environment

1. Effect of Environment of External Competition: In 2025, amid the impact of U.S. tariff policies on global supply chains, GEM Terminal Ind. accelerated its transformation over the past two to three years by completing new product introductions and restructuring production locations, thereby strengthening its risk resistance and market responsiveness. Taiwan GEM has focused on the semiconductor supply chain as its core business. Red copper raw materials are directly procured from international metal traders, ensuring simple sourcing channels and stable supply. Its primary products serve Taiwan's semiconductor market and are therefore less affected by U.S.-China tariff policies. In addition, the Company possesses integrated manufacturing capabilities covering casting, extrusion, rolling, and milling processes, enabling the production of high-conductivity copper busbars, special-shaped conductor copper materials, flat copper materials, fine-grain copper rods, oxygen-free rolled copper foils, and various special new copper materials. These diversified applications help reduce dependence on any single industry sector. Suzhou GEM and Dongguan GEM continue to focus on the domestic China market. In response to the new GB 1002-2024 regulations, the Group expects to significantly expand its share of the domestic market. Furthermore, its mature processing technologies for special-shaped conductor materials used in new energy vehicles position the Group to enter the world's largest new energy vehicle market. Meanwhile, Vietnam GEM has adopted diversified supply strategies and localized operations to reduce tariff and regulatory compliance risks. The Company is also proactively positioning itself for EU environmental protection trends by entering the market for ultra-low-lead copper products in advance, thereby expanding its presence in the European Union market.
 2. Effect of Regulatory Environment: Currently, countries in Europe and US all impose strict requirements on green environmental protection. The Company has been promoting green environment and processes. We will recover and recycle waste electroplating water. Besides, because the structure of materials used in the Company's products is mainly copper and plastics, in order to ensure the product quality can comply with the requirements of RoHS environmental-friendly directives, the Company also purchased inside ICP-OES heavy metal testing equipment, GC/MS bromide testing equipment, and UV/VIS hexavalent chromium testing equipment to undertake the quality detection of feeds and products for the implementation of RoHS environmental protection directives. The Company and subsidiaries in China have acquired ISO14001 and QC080000 certificate, and actively completed the audit requirement of VDA6.3 process. For recent years, the China government has strongly promoted environmental protection governance. Dongguan plant and Suzhou plant of GEM can both reach discharge standards after renovation by the waste water disposal technology. In 2020, the city government in Suzhou requested electroplating enterprises, along with accompanying enterprises, to carry out zero discharge of industrial waste water; the plants were forced to close in case of failure in meeting the transformation requirements. In that regard, the zero discharge facility of GEM has been fully installed in place with running test conducted.
- In terms of corporate governance, the Company took the initiative in implementing the corporate governance systems. . In the 12th corporate governance evaluation in 2025, the Company was ranked in the range of top 81% to 100% among the listed companies based on the evaluation results. In the meantime, in response to the implementation of corporate social responsibility system, we were actively dedicated to participation in the society. Our financial and tax regulations all comply with the bulletins of related standards, as well as domestic and foreign laws and acts. We prepared out financial statement in accordance with the IFRSs. We will continue to follow up, update, and abide by the adoption and changes of the future possible statutory regulations.

3. Effect of Macro Business Environment: Since the global economic environment is changeable, the Company not only focuses on our own industry with more efforts to provide excellent products and services, but also pays attention, at all times, to changes of the international political and economic situation to flexibly adjust the paces of industry development for grasping good opportunities and creating maximum interests for the shareholders.

Business Prospect

Looking forward to the future, respecting research and development, the Company will continue to develop new technology, integrate the copper smelting technology in Vietnam with re-processing advantages by purchasing recycled waste copper, optimize UN-promoted environmental-friendly micro lead-free copper products and plans of expanding the South-East Asian Market, combine technologies of stamping, turning and injection molding, etc. to enlarge development of environmental-friendly micro leadfree turning process copper products, and development and mass production of products of round wire, flat wire, and square wire materials. In the meantime, in response with increased demands of goods supply from regions other than China, as requested by customers in the Southeast Asia market, we accelerate and further increase the production and sales proportion in the Vietnam plant to create international labor-division advantages and mass-produce the competitive products meeting the market's trends for occupying the market. Besides, GEM Suzhou is set to integrate GEM Dongguan into its contract manufacturing plant, transitioning towards development in place of importation higher value-added multi-gauge strip copper materials, and production of high-end wiring harness connecting products. With the launch of the new patented project for one-step molding of insulated terminals in plug products, the Company now boasts cost advantages in materials, labor, and manufacturing compared to conventional secondary machining techniques in the industry. This further strengthen the company's competitiveness. On the other hand, GEM in Taiwan continues its processing and shipment of multi-gauge strip copper materials, while the equipment for the new specialized copper milling plant undergoes accelerated tuning, with the goal of achieving a competitive advantage in the future.

At last, I would like to represent the entire staff of the Company to thank all shareholders for your support and encouragement to GEM. And I also extend my greatest personal gratitude to you.

Wish each shareholder, customer and staff good health and prosperous business.

Sincerely yours,

Chairman Su, Tun-Li

III. Corporate Governance Report

1. Information of Directors, Supervisors, General Manager, Deputy General Manager, Department and Branch Officers

1. Information of Directors and Independent Directors

(1) Information of Directors and Independent Directors (I)

April 25, 2026

Unit: Shares

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Elected (Appointed) date	Term	First elected date (Note 3)	Shareholding when elected		Current shareholding		Shareholdings of the spouse and monir children		Shareholding in other people's names		Primary (academic) experience (Note 4)	Current positions held in this Company and doubling at other companies	Shareholdings of the spouse and monir children			Note (Note 5)
							Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %			Title	Name	Relation ship	
Chairman	R.O.C	Cheng-Feng Investment Co., Ltd. Representative: Su, Tun-Li	Male 71~80	June 13, 2024	3 years	November 22, 1997 November 22, 1997	20,278,409 27,285	11.98 0.02	20,278,409 27,285	11.98 0.02	- 617,695	- 0.37	- -	- -	National Taipei University of Technology Chairman of GEM Terminal Ind. Co., Ltd.	Chairman of GEM Terminal Ind. Co., Ltd. Director of Genius Terminal Co., Ltd. Director of Global Electronics Terminal (Cayman) Co., Ltd. Director of Global Electronics Terminal (Hong Kong) Co., Ltd. Director of Vibo GEM International Co., Ltd. Director of GEM Terminal (Cayman) Co., Ltd. Chairman of Vietnam GEM Electronic And Metal Co., Ltd. Director of Suzhou GEM Opto-electronics Terminal Co., Ltd.	Vice Chairman	Su, Chung- Hong	Brother	—
Vice Chairman	R.O.C	You-Feng Investment Co., Ltd. Representative: Su, Chung-Hong	Male 51~60	June 13, 2024	3 years	November 22, 1997 June 20, 2009	13,983,236 231,030	8.26 0.14	13,983,236 231,030	8.26 0.14	- -	- -	- -	- -	Kaohsiung County Kangshan Agricultural Vocational High School Chairman of GEM Terminal Ind. Co., Ltd.	Vice Chairman of GEM Terminal Ind. Co., Ltd. Director of You-Feng Investment Co., Ltd. Director of Genius Terminal Co., Ltd. Director of Vibo GEM International Co., Ltd. Director of GEM Terminal (Cayman) Co., Ltd. Chairman of Dongguan GEM Electronic & Metal Co., Ltd. Chairman of Suzhou GEM Opto-electronics Terminal Co., Ltd. GM of Vietnam GEM Electronic And Metal Co., Ltd.	Chairman	Su, Tun- Li	Brother	—
Director	R.O.C	Tsung-Fu Investment Co., Ltd. Representative: Su, Hsing-Hsien	Male 30~40	June 13, 2024	3 years	November 22, 1997 August 12, 2021	31,467,914 0	18.6 0	28,367,914 0	16.77 0	- -	- -	- -	- -	Department of Electrical Engineering at the University of California, Riverside Firmware Engineer at the Taiwan Branch of Hewlett- Packard Enterprise Special Assistant to the General Manager's Office at GEM Terminal Ind. Co., Ltd.	Special Assistant to the General Manager's Office at GEM Terminal Ind. Co., Ltd. Director of Vietnam GEM Electronic And Metal Co., Ltd	—	—	—	—
Director	R.O.C	Guu, Heng Chang	Male 71~80	June 13, 2024	3 years	June 13, 2024	-	-	10,000-	0.01-	-	-	-	-	Department of Mechanical Engineering at National Taipei University of Technology Chairman of Suzhou GEM Opto-Electronics Terminal Co., Ltd. Director of China Metal International Holdings Inc. Director and General Manager of CMW (Tianjin) Industry Co., Ltd. Director and General Manager of Tianjin CMP Industry Co., Ltd. Director and General Manager of Suzhou CMS Machinery Co., Ltd. Director and General Manager of Suzhou CMB Machinery Co., Ltd. Consultant of Shandong Haixin Group Co., Ltd.	Director of Suzhou GEM Opto-Electronics Terminal Co., Ltd. Professional Technical Consultant of GEM TERMINAL IND.CO.,LTD Copper Smelting Plant	—	—	—	—

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Elected (Appointed) date	Term	First elected date (Note 3)	Shareholding when elected		Current shareholding		Shareholdings of the spouse and monir children		Shareholding in other people's names		Primary (academic) experience (Note 4)	Current positions held in this Company and doubling at other companies	Shareholdings of the spouse and monir children			Note (Note 5)
							Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %			Title	Name	Relation ship	
Independent Director	R.O.C	Yang, Chen- Yang	Male 51~60	June 13, 2024	3 years	June 20, 2003	-	-	-	-	-	-	-	-	Institute of Business Administration, National Taiwan University Project Manager and Customer Service Manager at Jie Cheng Corporation Business Director (Tax Advisor) at PCA Life Assurance Co Ltd.	Contract Business Personnel of KGI Life Insurance Co., Ltd.	-	-	-	-
Independent Director	R.O.C	Wang, Chien Hsiu	Female 51~60	June 13, 2024	3 years	June 13, 2024	-	-	-	-	597	-	-	-	Executive MBA Program, National Sun Yat-sen University Chief Accountant of Compal Electronics, Inc. Deputy General Manager for Administrative and Financial Affairs of GEM Terminal Ind. Co., Ltd. Supervisor of Shyh Hwa Stainless Steel Tube Co., Ltd. Supervisor of eAn International Co., Ltd. Deputy General Manager of POC Medical Inc.	Supervisor of Shyh Hwa Stainless Steel Tube Co., Ltd. Supervisor of eAn International Co., Ltd. Deputy General Manager of POC Medical Inc	-	-	-	-
Independent Director	R.O.C	Wu, Yun Rou	Female 30~40	June 13, 2024	3 years	June 13, 2024	-	-	-	-	-	-	-	-	Department of International Business Management at Da-Yeh University Accountant of Jia Jie Biomedical Co., Ltd. Vice Sales Manager of Reliance Securities Co., Ltd. Vice Sales Manager of JihSun Securities Co., Ltd. Vice Sales Manager of Taishin Securities Co., Ltd.	Vice Sales Manager of Taishin Securities Co., Ltd.	-	-	-	-

Note 1: For corporate shareholders, the name of the corporate shareholder and its representative should be separately listed. (If the representative is also a corporate shareholder, the name of the corporate shareholder should be indicated.)

Note 2: Please list the actual age and it can be expressed in the form of age range, such as 41-50 years old or 51-60 years old.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: During the aforementioned period, the relevant work experience related to the current position was not employed in the audit signing accounting firm or related enterprise.

Note 5: The Company's Chairman and the highest-level executive officer (General Manager or equivalent position) are the same person, spouses or first-degree relatives. The reasons, rationality, necessity and corresponding measures should be explained are not applicable.

(2) Information on Directors and Independent Directors II

1. Disclosure of Director's professional qualifications and Independent Directors' independence:

Criteria name	Professional qualifications and experience (Note 1):	Independence status (Note 2):	Number of other independent directors in publicly traded companies serving concurrently
Cheng-Feng Investment Co., Ltd. Representative: Su, Tun-Li	Founder of GEM Group, being committed to the development and innovation of electronic components and multi-gauge strip copper materials, implementing a sustainable management philosophy. Has a strong international perspective and insightful market development trend analysis capabilities, as well as extensive experience in leadership decision-making, risk management, and business management. Currently serves as the chairman of the company.	Directors who have spousal or second-degree relative relationships with each other are detailed on page 10-11 of the annual report.	0
Yu Feng Investment Co., Ltd. Representative: Su, Chung-Hong	Has extensive experience in the management of terminal product industry. Extended to upstream copper refining industry and developed eco-friendly and lead-free copper alloy products compliant with European regulations, leading the industry. Currently serves as the Vice Chairman of the company.		0
Tsung-Fu Investment Co., Ltd. Representative: Su, Hsing-Hsien	System Firmware Engineer at HPE Taiwan Branch, a Singaporean company. Experienced in production process management at the company.		0
Guu, Herng Chang	Graduated from Department of Mechanical Engineering at National Taipei University of Technology. Possessing strong academic foundation in mechanical engineering and extensive experience in mechanical processing, he has contributed his expertise to optimize the Company's copper refining technology. Previously worked as Chairman at subsidiary Suzhou GEM Opto-Electronics Terminal Co., Ltd. Possesses industry management skills.		0
Yang, Chen-Yang (Independent Director)	A Master's degree in Business Administration from National Taiwan University with extensive knowledge Previously worked as an Account Executive (Tax Consultant) at PCA Life Assurance Co., Ltd. , with abundant experience in tax planning. During the tenure as an independent director, audit committee member, and chairman of the compensation committee of the company, provided tax planning advice from an independent and objective standpoint and fulfilled the supervisory duties effectively.	The Independent Directors and members of the Remuneration Committee of the Company are all in accordance with Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, please refer to note 2 for details.	0
Wang, Chien Hsiu (Independent Director)	Executive MBA Program at National Sun Yat-sen University Previously worked as Chief Accountant of Compal Electronics, Inc., Deputy General Manager for Administrative and Financial Affairs of the Company, and Supervisor of Shyh Hwa Stainless Steel Tube Co., Ltd. Possesses excellent capabilities in accounting, financial analysis, and business management, as well as extensive industry knowledge.		0
Wu, Yun Rou (Independent Director)	A Bachelor's degree in International Business Management from Da-Yeh University. Possesses in-depth professional knowledge in the operations of futures and securities firms.		0
Chen, Shao Tsung (Member of the Remuneration Committee)	A Master's degree from Graduate Institute of International Business Administration at Chinese Culture University. Previously worked as a part-time lecturer in Department of Money and Banking at National Kaohsiung First University of Science and Technology and in Department of Public Health at Kaohsiung Medical University, as well as Acting Assistant Vice President of Southern Region Underwriting Division at SinoPac Securities Co. Possesses more than 5 years of experience in business, finance, and corporate operations, and is fully capable of providing informed recommendations on the remuneration of directors and managers.		

Note 1: Each director (including independent directors) of the Company has not been involved in any of the situations listed in Article 30 of the Company Act.

Note 2: Provisions of the "Regulations on the Appointment and Obligations of Independent Directors in Publicly Traded Companies" Article 3 state:

- (1) The independent director, his/her spouse, and relatives within the second degree of kinship have not served as a director, supervisor, or employee of the Company or its affiliated enterprises.
- (2) The independent director, his/her spouse, and relatives within the second degree of kinship or any natural person shareholder who holds less than 1% of the total number of shares issued by the Company or does not rank among the top ten shareholders of the Company.
- (3) The spouse, relatives within the second degree of kinship, or direct lineal relatives within the third degree of kinship of the director, supervisor, or manager of the Company or its affiliated enterprises who hold less than 1% of the total number of shares issued by the Company or do not rank among the top ten natural person shareholders.
- (4) The independent director has not served as a director, supervisor, or employee of any company that has a special relationship with the Company.
- (5) The independent director has not received any compensation for providing audit, legal, financial, accounting, or other related services to the Company or its affiliated enterprises in the past two years.

2. Diversity of Board and Independence:

(1) Board Diversity

- (a) Board Diversity Policy: According to Article 20 of our company's corporate governance guidelines, the composition of the board of directors should consider diversity. Except for directors who also serve as company executives, who should not exceed one-third of the board seats, appropriate diversity policies should be formulated based on the board's own operations, business model, and development needs.

When selecting directors, the company should consider the overall configuration of the board. The composition of the board should take into account diversity and formulate appropriate diversity policies based on the board's own operations, business model, and development needs. Standards should include, but not be limited to, the following two aspects:

A. Basic characteristics and values: gender, age, nationality, and culture.

B. Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience

Board members should generally possess the knowledge, skills, and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board as a whole should have the following abilities:

A. Operational judgment ability.

B. Accounting and financial analysis ability.

C. Business management ability.

D. Crisis handling ability.

E. Industry knowledge.

F. International market perspective.

G. Leadership ability.

H. Decision-making ability.

(b) Diversity objectives and achievements of the board:

The management objectives of board diversity are as follows:

Management objectives	Achievement Status:
At least one-third of the board members should have manufacturing-related industry experience.	achieved
No more than one-third of the board members should be executives of the company.	achieved
At least one-third of the board members should be female.	Not yet achieved

(c) Diversity of the Board of Directors: shown in the table below the 11th Board of Directors of the company is composed of 7 directors, of which 4 non-independent directors possess professional skills covering different fields such as industry operation and management, operational judgment, leadership decision-making, R&D and technological innovation, risk management. Among the 3 independent directors, Yang, Chen-Yang, an independent director, has a master's degree in business from National Taiwan University and rich experience in tax planning. Wang, Chien Hsiu, an independent director, holds an Executive MBA from National Sun Yat-sen University. She previously worked as Chief Accountant of Compal Electronics, Inc., Deputy General Manager for Administrative and Financial Affairs of the Company, and Supervisor of Shyh Hwa Stainless Steel Tube Co., Ltd. She possesses excellent capabilities in accounting, financial analysis, and business management, as well as extensive industry knowledge. Wu, Yun Rou, an independent director, holds a Bachelor's degree in International Business Management from Da-Yeh University. She possesses in-depth professional knowledge in the operations of futures and securities firms. Three of them can provide management advice from an independent and objective standpoint and fulfill their supervisory duties well, fully implementing the concept of diversified board members. The composition of the company's board of directors includes 2 directors aged 71-80, 3 directors aged 51-60, and 2 directors under the age of 31-40.

The Company implements a "Candidates Nomination System," whereby all director candidates are nominated in accordance with Article 192-1 of the Company Act. The Board of Directors reviews the qualifications and related documents of the director and independent director candidates nominated by shareholders, based on the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and, upon approval of the qualification review, the candidates are submitted to the shareholders' meeting for election. According to Article 20 of the Company's "Corporate Governance Best Practice Principles," directors shall generally possess the necessary knowledge, skills, and competence to perform their duties. The Company places great importance on gender equality in the composition of the Board of Directors and aims to increase the proportion of female directors to one-third (33%) or more. Currently, 71.43% (5) of the Board members are male, and 28.57% (2) of female directors has not yet reached one-third, primarily because all directors of the Company are required to undergo a rigorous suitability assessment that takes into comprehensive consideration their professional capabilities and industry knowledge. The Company attaches great importance to directors' professional expertise and diversity, as well as the value that gender balance brings to the decision-making process. In the future, the Company will further incorporate diversity considerations into the director nomination and election process and continue to optimize the composition of the Board of Directors.

Diversification on Key Focus Items Names of directors	Basic composition								Professional knowledge and skills							
	nationality	sex	Concurrent employment as an employee of the Company	age				Length of tenure for independent directors.	operation al judgment ability	Accounting and financial analysis ability	Business management ability	Crisis management ability	Industry knowledge	International market perspective	Leadership ability	Decision-making ability
				30 to 40	41 to 50	51 to 60	71 to 80									
								less than 3 years								
								3 to 9 years								
								more than 9 years								
Su, Tun-Li	R.O.C	male					✓		✓	✓	✓	✓	✓	✓	✓	✓
Su, Chung-Hong	R.O.C	male	✓			✓			✓	✓	✓	✓	✓	✓	✓	✓
Su, Hsing-Hsien	R.O.C	male	✓	✓					✓		✓	✓	✓	✓	✓	✓
Guu, Heng Chang	R.O.C	male	✓				✓		✓		✓	✓	✓	✓	✓	✓
Yang, Chen-Yang	R.O.C	male				✓			✓	✓		✓	✓	✓		✓
Wang, Chien Hsiu	R.O.C	female				✓		✓	✓	✓	✓	✓	✓	✓		✓
Wu, Yun Rou	R.O.C	female		✓				✓	✓	✓		✓		✓		✓

(2) Board of Directors Independence:

- (a) The proportion of directors who are employees of the Company is 42.86%, and the proportion of independent directors is 42.86%. One independent director has served for more than 9 years consecutively, and the other two independent directors have served for less than 3 years consecutively.
- (b) As stipulated in Article 26-3(3) and (4) of the Securities and Exchange Act, if there are spousal or blood relationships up to the second degree of kinship between directors, supervisors, or between directors and supervisors, it shall be disclosed.
Su, Tun-Li, the representative of Cheng-Feng Investment Co., Ltd., and Su, Chung-Hong, the representative of You-Feng Investment Co., Ltd., are brothers.
None of the other directors have the circumstances stipulated in Article 26-3(3) and (4) of the Securities and Exchange Act.

(c) Major Shareholders of Corporate Shareholders

Corporate Shareholder Name	Major Shareholders of Corporate Shareholder
Cheng-Feng Investment Co., Ltd.	Su, Che-Ming (24.19%) ,Su, Tun-Li, (14.23%) ,Su Hung, Yueh-Chi (13.20%) ,Su, Li-Wen (24.19%) ,Su, Sheng-Mao (24.19%)
You-Feng Investment Co., Ltd.	Su, Chong-Hong, (36.88%) ,Su, Yu-Ting (31.56%) ,Su, Yu-Hsiang (31.56%)
Tsung-Fu Investment Co., Ltd.	Su, Heng-Hui (29.56%), Tsou, Hsiu-Ming (20.97%), Su, Hsing-Hsien (29.56%), Su, Chun-I (4.25%), Su, Hsin-Ning (15.66%)
Ting-Yao Investment Co., Ltd.	Su, Po-Chen (25.96%), Su, Tun-Yi (37.27%), Wang, Tzu-Jung (34.67%), Su, Yu-Hsuan (0.7%), Su, Nai-Chi (0.7%), Su, Yun-Ching (0.7%)

2.Information of General Manager, Deputy General Manager, Assistant Vice President, Heads of Each Department and Branch Offices

April 27, 2025/ Unit: Shares

Title (Note 1)	Nationality	Name	Gender	Elected (Appointed) date	Shareholding		Shareholdings of the spouse and minor children		Shareholding in other people's names		Primary (academic) experience (Note 2)	Current positions doubling at other companies	Managers with Spousal or Second-Degree Relationships			Note (Note 3)
					Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %			Title	Name	Relationship	
General Manager	R.O.C	Ho, Yi-Lin	Male	July 2018	1,016,315	0.6	15,277	0.01	—	—	National Taiwan University of Science and Technology Deputy General Manager of R&D Technology Department at GEM Terminal Ind. Co., Ltd.	Director of Dongguan GEM Electronic & Metal Co., Ltd. General Manager of Suzhou GEM Optoelectronic Terminal Co., Ltd.	—	—	—	—
Deputy General Manager	R.O.C	Chen, Li-Yi	Male	April 2024	211,300	0.12	—	—	—	—	Department of Business Administration (Accounting Division), Sun Yat-sen University Assistant Vice President of Financial Department at GEM Terminal Ind. Co., Ltd.	Director of Vietnam GEM Electronic And Metal Co., Ltd.	—	—	—	—
Deputy General Manager	R.O.C	Lin, Yu-Min	Male	March 2022	72,000	0.04	—	—	—	—	National Kaohsiung University of Business and Technology, Department of Mold Engineering Manager of Plant Management Department at GEM Terminal Ind. Co., Ltd.	None	—	—	—	—
Deputy General Manager	R.O.C.	Hung Chu Hung	Male	May 2026	23,400	0.01					Department of Transportation and Logistics, Feng Chia University Senior Engineer of ChipMOS Technologies Inc.	None				
Executive Director	R.O.C	Chen, Chin Hsien	Male	May 2026	50,000	0.03	—	—	—	—	Master of Business Administration, National Kaohsiung University of Science and Technology Manager of Plant Management Department at GEM Terminal Ind. Co., Ltd.	None	—	—	—	—
Manager	R.O.C	Tsai, Ming-Che	Male	January 2008	144,989	0.09	1,001	—	—	—	Electronics Department, Kunshan Technical College Manager of Business Department at GEM Terminal Ind. Co., Ltd.	None	—	—	—	—
Manager	R.O.C	Chen, Cheng-Hao	Male	May 2023	51,000	0.03	-	—	—	—	Department of Accounting Information, Dayeh University KPMG Taiwan	None	—	—	—	—
Manager	R.O.C	Wu Feng Yin	Male	April 2024	51,116	0.03	1,000	—	—	—	Dept. of Agricultural Mechanical Engineering, The Affiliated Senior High School of National University of Tainan Vice Manager of R&D Technology Department at GEM Terminal Ind. Co., Ltd.	None	—	—	—	—
Manager	R.O.C	Teng, Meng-Huan	Male	November 2025	45,000	0.03	—	—	—	—	Department of Finance, National Dong Hwa University Deputy Manager, Finance Department, GEM Terminal Ind.	None	—	—	—	—
Manager	R.O.C	Yang, Pei-Hsin	Female	November 2025	35,000	0.02	—	—	—	—	Department of Accounting, National Cheng Kung University Manager, Deloitte Taiwan	None	—	—	—	—
Manager	R.O.C	Wu, Liang-Cheng	Male	May 2026	—	—	—	—	—	—	Graduated from the Department of Information Management, Chang Jung Christian University Information and Information Security Supervisor, Chang Hsin Industrial Co., Ltd. ERP Consultant and Project Manager, Data Systems Consulting Co., Ltd.	None	—	—	—	—

Note 1: The information should include the General Manager, Deputy General Managers, Assistant Vice President, and the heads of each department and branch. Those who hold positions equivalent to General Manager, Deputy General Manager or Assistant Vice President, regardless of their title, should also be disclosed.

Note 2: The above-mentioned personnel have not worked for the auditing and certifying accounting firm and its related enterprises during their tenure.

Note 3: The General Manager or the highest executive officer, who is also the Chairman, the spouse of the Chairman, or a close relative within the first degree of kinship, is not applicable.

Note 4: The personnel information listed above is up to the printing date of the annual report, and the shareholding information is up to April 25, 2026.

2. Remuneration Paid to Directors, Supervisors, General Manager, and Deputy General Managers in The Most Recent Fiscal Year

(1) Remuneration of Non-Independent and Independent Directors (disclose names and remuneration methods separately)

Unit: NT\$ thousands

Title	Name	Remuneration of directors								The total amount and the proportion to net income after tax of A, B, C, and D		Related compensation received by employees who hold concurrent position								The total amount and the proportion to the after-tax net profit of A, B, C, D, E, F, G		Compensation received from invested enterprises outside of subsidiaries or from the parent company
		Remuneration (A)		Pension (B)		Directors' remuneration (C)		Business execution expenses (D)				Salary, bonus, and special allowances (E)		Pension (F)		Employee bonus (G)						
		The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company		Companies in the consolidated financial report		The Company	Companies in the consolidated financial report	
Chairman	Cheng-Feng Investment Co., Ltd. Representative: Su, Tun-Li	-	1,080	-	-	0	0	30	30	30 -0.01%	1,110 -0.22%	-	-	-	-	-	-	-	-	30 -0.01%	1,110 -0.22%	None
Vice Chairman	You-Feng Investment Co., Ltd. Representative: Su, Chung- Hong	-	-	-	-	0	0	30	30	30 -0.01%	30 -0.01%	1,997	5,010	108	108	-	-	-	-	2,135 -0.43%	5,148 -1.03%	None
Director	Tsung-Fu Investment Co., Ltd. Representative: Su, Hsing-Hsien	-	-	-	-	0	0	30	30	30 -0.01%	30 -0.01%	749	2,256	46	46	-	-	-	-	825 -0.16%	2,332 -0.47%	None
Director	Guu, Herng Chang	-	-	-	-	0	0	30	30	30 -0.01%	30 -0.01%	600	600	-	-	-	-	-	-	630 -0.13%	630 -0.13%	None
Independent Director	Yang, Chen-Yang	360	360	-	-	0	0	78	78	438 -0.09%	438 -0.09%	-	-	-	-	-	-	-	-	438 -0.09%	438 -0.09%	None
Independent Director	Wang, Chien Hsiu	360	360	-	-	0	0	78	78	438 -0.09%	438 -0.09%	-	-	-	-	-	-	-	-	438 -0.09%	438 -0.09%	None
Independent Director	Wu, Yun Rou (Note F)	360	360	-	-	0	0	54	54	414 -0.08%	414 -0.08%	-	-	-	-	-	-	-	-	414 -0.08%	414 -0.08%	None

1. The policy, system, standards, and structure for the payment of independent director remuneration are based on the "Articles of Incorporation" and the "Remuneration Regulations for Directors and Members of Functional Committees," and are submitted to the Board of Directors for approval after review by the Remuneration Committee, taking into account factors such as their responsibilities, risks, and time input.

2. Remuneration payments made to directors of the Company for services provided in the most recent fiscal year, such as serving as consultants for the parent company, all companies listed in financial reports, or non-employee advisors to invested companies: none

3. The Company's net loss after tax in 2025 was NT\$500,761 thousand.

(2) Remuneration of General Manager, and Deputy General Managers (Disclose the names and remuneration methods individually.)

Unit: NT\$ thousands

Title	Name	Salary(A)		Pension (B)		Bonuses and special allowances (C)		Employee bonus (D)				The total amount and the proportion to net income after tax of A, B, C, and D (%)		Compensation received from invested enterprises outside of subsidiaries or from the parent company
		The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company		Companies in the consolidated financial report		The Company	Companies in the consolidated financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Ho, Yi-Lin	5,729	5,729	108	108	-	-	-	-	-	-	5,837 -1.17%	5,837 -1.17%	None
Deputy General Manager	Chou, Chin-Hsiu	1,518	1,518	0	0	-	-	-	-	-	-	1,518 -0.30%	1,518 -0.30%	None
Deputy General Manager	Chen, Li-Yi	1,540	1,540	87	87	-	-	-	-	-	-	1,627 -0.32%	1,627 -0.32%	None
Deputy General Manager	Chen, Chin-Hsien (Note A)	200	200	12	12	-	-	-	-	-	-	212 -0.04%	212 -0.04%	None

Note A: Deputy General Manager Chen, Chin-Hsien was promoted to Deputy General Manager in November 2025.

(3) Managerial Officers with The Top Five Highest Remuneration Amounts in The Company (disclose their names and remuneration method)

Title	Name	Salary(A)		Pension (B)		Bonuses and special allowances (C)		Employee bonus (D)				The total amount and the proportion to net income after tax of A, B, C, and D (%)		Compensation received from invested enterprises outside of subsidiaries or from the parent company
		The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company	Companies in the consolidated financial report	The Company		Companies in the consolidated financial report		The Company	Companies in the consolidated financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Ho, Yi-Lin	5,729	5,729	108	108	-	-	-	-	-	-	5,837 -1.17%	5,837 -1.17%	None
Deputy General Manager	Chou, Chin-Hsiu	1,518	1,518	0	0	-	-	-	-	-	-	1,518 -0.30%	1,518 -0.30%	None
Deputy General Manager	Chen, Li-Yi	1,540	1,540	87	87	-	-	-	-	-	-	1,627 -0.32%	1,627 -0.32%	None
Assistant Vice President	Lin, Yu-Min	1,203	1,203	66	66	-	-	-	-	-	-	1,269 -0.25%	1,269 -0.25%	None
Manager	Tsai, Ming-Che	1,137	1,137	66	66	-	-	-	-	-	-	1,203 -0.24%	1,203 -0.24%	None

Note 1: The Company's net loss after tax in 2025 was NT\$500,761 thousand.

(4) Names of The Managers Allocating Employee Bonus and The Distribution Situation

December 31, 2025 Unit: NT\$ thousand

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount (Note 2)	Total	Percentage of total amount to after-tax net income (%)
Manager	General Manager	Ho, Yi-Lin	0	0	0	0%
	Deputy General Manager	Chou, Chin-Hsiu				
	Deputy General Manager	Chen, Li-Yi				
	Deputy General Manager	Chen, Chin Hsien				
	Assistant Vice President	Lin, Yu-Min				
	Manager	Tsai, Ming-Che				
	Manager	Chen, Cheng-Hao				
	Manager	Wu Feng Yin				
	Manager	Hung, Chu-Hung				
	Manager	Teng, Meng-Huan				
	Manager	Yang, Pei-Hsin				

Note 1: Individual names and titles should be disclosed, but profit distribution may be disclosed in aggregate form.

Note 2: The proposed distribution amount is calculated based on the proportion of employee compensation amounts allocated to managers in the most recent comparable year.

Note 3: The scope of application for managers is defined in accordance with the March 27th, 2003 letter of the Taiwan Securities and Futures Bureau with reference number No. 0920001301, as follows:

- (1) General Managers and equivalent positions.
- (2) Deputy General Managers and equivalent positions.
- (3) Assistant Vice President and equivalent positions.
- (4) Officers of financial departments.
- (5) Officers of accounting departments.
- (6) Other individuals with management responsibilities and signing authority for the Company.

Note 4: Directors of the Company do not receive employee bonus (including stocks and cash).

Note 5: The Company's net loss after tax in 2025 was NT\$500,761 thousand.

(5) The company shall disclose the remuneration of individual directors and supervisors in the following circumstances:

- A. If the company has incurred a net loss in any of the past three years, individual remuneration of directors and supervisors should be disclosed, unless the net loss has been fully offset by the net profit of the current year. The individual names of directors and their compensation methods are disclosed in detail on pages 15-16 of the annual report.
- B. If a director's shareholding falls below a certain level for more than three consecutive months, their individual remuneration should be disclosed: Not applicable.
- C. If the average pledged share ratio of a director or supervisor is over 50% in any three months of the year, their individual remuneration should be disclosed: Not applicable.
- D. If the total remuneration of all directors and supervisors exceeds 2% of the company's net profit after tax and an individual director or supervisor's remuneration exceeds NTD 15 million, their individual remuneration should be disclosed. The individual names of directors and their compensation methods are disclosed in detail on pages 15-16 of the annual report.
- E. If the TWSE/TPEX Listed Companies have been rated the lowest two levels in corporate governance evaluation or has undergone major changes in trading methods, or have been suspended or delisted from the stock market, their individual remuneration should be disclosed: please refer to pages 16-17 of the annual report for details.

- F. For TWSE/TPEX listed companies, there is no disclosure requirement if the annual average salary of full-time employees who are not in managerial positions in the most recent year is less than NTD 500,000: Not applicable.
- G. If the TWSE or TPEX listed company had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year: Not applicable.
- H. If the TWSE or TPEX listed company had a decline in after-tax net income reaching 10 percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT\$100,000: Not applicable.
- (6) If the circumstance in sub-item A or in sub-item F of the preceding item applies to a company listed on the TWSE or the TPEX, it shall disclose the individual remuneration paid to each of its five highest remunerated management personnel: The individual names and their remuneration of the five highest remunerated managerial personnel are disclosed in detail on page 17 of the annual report.
- (7) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

Item Title	The Company				All companies included in the consolidated financial statements			
	2025		2024		2025		2024	
	Total	As a percentage of after-tax net income	Total	As a percentage of after-tax net income	Total	As a percentage of after-tax net income	Total	As a percentage of after-tax net income
Directors	1,410	-0.28%	1,590	-0.69%	2,490	-0.5%	2,670	-1.16%
General Manager and Deputy General Managers	9,194	-1.84%	5,297	-2.30%	9,194	-1.84%	5,297	-2.30%
After-tax Net Income	-500,761	-	-230,079	-	-500,761	-	-230,079	-

The difference in the remuneration ratio for directors (including independent directors) was mainly due to the Company recording a net loss after tax of NT\$500,761 thousand in 2025, compared with a net loss after tax of NT\$230,079 thousand in 2024. The difference in the remuneration ratio for the President and Vice Presidents was mainly attributable to the transfer of treasury shares to employees conducted by the Company on September 25, 2025.

A. Policy, Standards and Composition for Remuneration

(1) Directors and Independent Directors

The Company has established a board performance evaluation method to periodically evaluate the performance of the board of directors and each functional committee. According to the Company's Articles of Incorporation, if the Company makes a profit in a given year, no more than 5% shall be allocated for director compensation, which will be determined by the board of directors and distributed in the form of stocks or cash.

(2) Managers and Employees

The salary and compensation of the Company's managers and employees are determined based on their job responsibilities, education and performance evaluations to ensure that they are fair and reasonable. In order to provide clear guidelines for employees and to boost morale, the Company has established the "Salary Management Regulations" and "Regulations for Transfer and Promotion Management" to achieve the Company's business goals. Additionally, if the Company makes a profit in a given year, no less than 3% shall be allocated for employee compensation, which will be determined by the board of directors and distributed in the form of stocks or cash.

B. The process of determining the compensation and its relationship with the company's future risks and business performance

(1) The Company comprehensively considers its overall operating performance, future operations, and associated risks, as well as the managerial responsibilities, objectives, and actual performance of its executives. Factors including contributions to the Company's profitability and management decision-making risks are taken into account and reflected in the relevant compensation and remuneration of managerial officers.

(2) Affected by uncertainties arising from U.S. tariff policies, revenue from traditional terminal products declined and performed below expectations. Most customers adopted a wait-and-see approach and prioritized the reduction of their own inventory levels. As a result, the Company's overall net loss increased in 2025. The increase in remuneration for the President and Vice Presidents in 2025 was mainly attributable to the Company's transfer of treasury shares to employees on September 25, 2025.

(3) The Company has developed new products, namely special new copper materials, for which part of the production capacity and sales volume have achieved stable growth. Meanwhile, the sales team has actively developed and expanded the market, and the contribution to revenue has gradually shown positive results.

III. Corporate Governance Status

(1) Implementation Status of the board

The board of directors held 5 meetings in the past year (A), and the attendance of directors and supervisors is as follows:

title	name(note1)	Actual no. of meetings attended B	No. of meetings with entrusted attendance	Actual percentage of attendance 【 B / A 】 (note 2)	note
Chairman	Cheng-Feng Investment Co., Ltd. Representative: Su, Tun-Li	5	0	100	
Vice Chairman	You-Feng Investment Co., Ltd. Representative: Su, Chung-Hong	5	0	100	
Director	Tsung-Fu Investment Co., Ltd. Representative: Su, Hsing-Hsien	5	0	100	
Director	Guu, Herng Chang	5	0	100	
Independent director	Yang, Chen-Yang	5	0	100	
Independent director	Wang, Chien Hsiu	5	0	100	
Independent director	Wu, Yun Rou	5	0	100	

Other Matters that should be Disclosed:

1. Matters listed in Article 14-3 of the Securities and Exchange Act and resolutions passed by the Board of Directors with objections or reservations from independent directors recorded or in written statements shall specify the date and session of the Board of Directors meeting, the content of the motion, the opinions of all independent directors and the company's response to the opinions of independent directors, as shown in the following table:

2. The implementation status of directors recusing themselves from stakeholders shall specify the names of directors, the content of the motion, the reasons for recusal and their participation in the vote, as shown in the following table:

Board meeting	Cause of action	Resolution Result (Reasons for Recusal and Voting Participation)	Matters listed under Article 14-3 of the Securities and Exchange Act	Independent directors holding opposing or reservation opinions	Company's handling of independent directors' opinions
2025.03.11 The 12th Session, 7th Meeting	3. To discuss the proposed amendments to the Company's Articles of Incorporation, submit the same for resolution, and present the proposal to the Annual Shareholders' Meeting for approval.	The proposal was approved as originally proposed.	V	None	None
	4. To evaluate the independence and competence of the Company's certified public accountants, and submit the same for resolution.	As this proposal concerned the discussion of the independence and competence of the accountants of Deloitte Taiwan, which involved their own interests, Manager Chia, Hsin-Ying, who was present at the meeting on behalf of Deloitte Taiwan, recused herself from the discussion and voting in accordance with the law. The proposal was approved as originally proposed.	V	None	None
	5. The Company proposes to appoint Deloitte Taiwan to conduct the review and audit of the Company's 2025 and 2026 financial reports. The related annual service fee shall be NT\$5.15 million. The proposal is submitted for resolution.	As this proposal concerned the discussion of the engagement agreement and service fees for appointing Deloitte Taiwan, which involved its own interests, Manager Chia, Hsin-Ying, who was present at the meeting on behalf of Deloitte Taiwan, recused herself from the discussion and voting in accordance with the law. The proposal was approved as originally proposed.	V	None	None
2025.05.12 The 12th Session, 8th Meeting	3. In order to meet the Company's actual operational needs, certain provisions of the Company's "Internal Control System" and "Detailed Rules for Internal Audit Implementation" have been amended. The proposal is hereby submitted for resolution.	The proposal was approved as originally proposed.	V	None	None
2025.08.12 The 12th Session, 9th Meeting	2. To discuss the transfer of shares repurchased under the Company's third treasury stock buyback program to employees.	As this proposal concerned the transfer of treasury shares to employees, and Director Su, Hsing-Hsien also held employee status, thereby involving his own interests, Director Su, Hsing-Hsien recused himself from the discussion and voting in accordance with the law. Except for Director Su, Hsing-Hsien, who recused himself in accordance with the law due to a conflict of interest, the proposal was approved as originally proposed.	V	None	None
	3. To discuss the transfer of shares repurchased under the Company's fourth treasury stock buyback program to	As this proposal concerned the transfer of treasury shares to employees, and Director Su, Hsing-	V	None	None

	employees.	Hsien also held employee status, thereby involving his own interests, Director Su, Hsing-Hsien recused himself from the discussion and voting in accordance with the law. Except for Director Su, Hsing-Hsien, who recused himself in accordance with the law due to a conflict of interest, the proposal was approved as originally proposed.			
2025.11.11 The 12th Session, 10th Meeting	3. The Company's "2026 Internal Audit Plan" has been completed and is hereby submitted for discussion	The proposal was approved as originally proposed.	V	None	None
	4. The Company proposes to appoint R&D consultants and management consultants in order to enhance research and development technologies and optimize management practices. The proposal is hereby submitted for discussion.	As this proposal concerned the appointment of Su, Tun-Yi as the Company's professional R&D consultant and the appointment of Su, Hung-Yueh-Chi as the Chairman's Secretary, which involved the interests of the spouse and second-degree relatives of Chairman Su, Tun-Li and Vice Chairman Su, Chung-Hong, Chairman Su, Tun-Li and Vice Chairman Su, Chung-Hong recused themselves from the discussion and voting in accordance with the law. Except for Chairman Su, Tun-Li and Vice Chairman Su, Chung-Hong, who recused themselves in accordance with the law due to matters involving the interests of their spouses and second-degree relatives, the proposal was approved as originally proposed.	V	None	None
	5. The execution status of the Company's third and fourth treasury stock buyback programs for transfer to employees is hereby submitted for discussion.	As this proposal concerned the employee list for the distribution of treasury shares, which involved the interests of the second-degree relatives of Chairman Su, Tun-Li, Chairman Su, Tun-Li recused himself from the discussion and voting in accordance with the law. Except for Chairman Su, Tun-Li, who recused himself in accordance with the law due to matters involving the interests of his spouse and second-degree relatives, the proposal was approved as originally proposed.	V	None	None
2026.03.10 The 12th Session, 12th Meeting	3. To evaluate the independence and competence of the Company's certified public accountants, and submit the same for resolution.	As this proposal concerned the discussion of the independence and competence of the accountants of Deloitte Taiwan, which involved their own interests, CPA Wu, Chiu-Yen, who was present at the meeting, recused herself from the discussion and voting in accordance with the law. The proposal was approved as originally proposed.	V	None	None

3. Implementation of Board of Directors Performance Evaluation

The company has implemented corporate governance and enhanced the functions of the Board of Directors. On March 25th, 2020, the "Board of Directors Performance Evaluation Measures" were established and implemented after being approved by the Compensation Committee and the Board of Directors. The evaluation results are shown in the table below, and detailed information can be found on the company's website.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Contents of evaluation
Once a year	January 1st, 2025 to December 31st, 2025	1.Board of Directors Performance Evaluation 2.Audit Committee Performance Evaluation 3. Remuneration Committee Performance Evaluation	Self-evaluation of the Board of Directors, functional committees, and remuneration committee Performance Evaluation	1. The items evaluated in the Board of Directors Performance Evaluation include: (1) Level of participation in company operations. (2) Improvement in the quality of the Board of Directors' decision-making. (3) Composition and structure of the Board of Directors. (4) Selection and continuing education of directors. (5) Internal control. 2/The items evaluated in the self-evaluation of individual directors include: (1) Understanding of company goals and missions. (2) Awareness of director's duties and responsibilities. (3) Level of participation in company operations. (4) Management of internal relationships and communication. (5) Professional knowledge and continuing education of directors. (6) Internal control. 3. The items evaluated in the Performance Evaluation of Functional Committees include: (1) Level of participation in company operations. (2) Awareness of the duties and responsibilities of the functional committee. (3) Improvement in the quality of the functional committee's decision-making. (4) Composition of the functional committee and selection of members. (5) Internal control.
Once every 3 years conducted by external professional independent institute	January 1,2025 to December 31,2025	Board of Directors Performance Evaluation	The evaluation conducted by Taiwan Association of Board Governance included methods such as questionnaires and interviews.	Performance analysis of 7 dimensions: (1) Composition and structure of the Board of Directors. (2) Selection and continuing education of directors. (3) Level of participation in company operations of the board (4) Improvement in the quality of the Board of Directors' decision-making. (5) Internal control (6) Sustainable development (7)Creating values

4. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof.

A. The company has established the Remuneration Committee and the Audit Committee. It has formulated and implemented related directives such as the "The Remuneration Committee Charter," "The Audit Committee Charter," "Performance Evaluation of the Board of Directors," "Corporate Governance Best Practice Principles," "Directions for the Implementation of Continuing Education for Directors," "Guidelines for the Adoptions of Codes of Ethical Conduct for Directors and Managers," "Rules governing the Scope of Powers of Independent Directors" to strengthen the functions of the Board of Directors and enhance the transparency of company information.

B. For internal evaluation results of the performance of the Board of Directors in 2025, please refer to the company website.

C. The Company not only reports essential information about the Company (including financial and business reports of operations, the implementation of internal audits, and implementation of related resolutions of the Board of Directors) to the directors through the Board of Directors but also strengthens the function of directors through passing "Regulations of Corporation Risk Management" and "Standard Operation Procedures for Handling Requests from Directors."

D. In terms of enhancing information transparency, the Company added an English version in the Corporate Governance section on the company website, providing English versions of the financial report, related regulations on elevating information transparency, and corporate governance, taking into consideration the convenience for foreign shareholders to obtain information.

E. Succession Planning for Board Members and Key Management Personnel:

The Company adheres to the principle of sustainable operations by nominating and appointing a diverse range of board members, and it places significant emphasis on the professional development of key

management personnel. As part of this commitment, the following succession plans have been formulated:

Succession Planning for Board Members:

The Company's board of directors directs company strategies, supervises management, and is responsible to the Company and shareholders. The various procedures and arrangements of the Company's corporate governance system ensure that, in exercising its authority, the board of directors complies with laws, regulations, the Company's Articles of Incorporation, and resolutions of shareholders meetings.

The structure of the Company's board of directors shall be determined by selecting a number of board members equal to the number of director seats specified in the Articles of Incorporation, taking into account its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors should consider diversity. Except for directors who also serve as company executives, who should not exceed one-third of the board seats, appropriate diversity policies should be formulated based on the board's own operations, business model, and development needs. Standards should include, but not be limited to, the following two aspects:

A. Basic characteristics and values: gender, age, nationality, and culture.

B. Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience

Board members should generally possess the knowledge, skills, and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board as a whole should have the following abilities:

A. Operational judgment ability. B. Accounting and financial analysis ability.

C. Business management ability. D. Crisis handling ability.

E. Industry knowledge. F. International market perspective.

G. Leadership ability. H. Decision-making ability.

Board members conducts an annual evaluation of the performance of each board members , and the operational efficiency of the Board of Directors in accordance with the Rules for Performance Evaluation of Board of Directors. The evaluation results of the Board's performance will serve as a basis for future election and nomination of board members.

Succession Planning for Key Management Personnel:

The Company's organizational structure comprises senior management personnel at the manager level or above for each department, responsible for leading and managing the Company's operations. Additionally, deputies are appointed for each senior management position, all possessing professional expertise and leadership capabilities that align with the Company's business philosophy.

To cultivate key management personnel and their deputies, the Company provides targeted professional training and offers courses on corporate governance to enhance individual management capabilities. Attendance of executives at the deputy general manager level and above has been mandatory at all board meetings when agendas involving business management or strategic decision-making are discussed. Additionally, monthly operational management meetings include reports on operational performance by executives at the deputy general manager level and above. Furthermore, the Company facilitates the transfer of professional skills from senior executives to grassroots managers by their daily responsibilities, ensuring the development of future talent for succession planning.

The Company conducts quarterly performance evaluations of employees to assess their performance and determine promotions based on merit. This process aims to unlock employees' potential, leverage their individual strengths, and align their performance with the Company's expectations, serving as a reference for future succession planning.

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2: (1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(2) Implementation Status of Audit Committee

1. The Audit Committee of the Company is composed of three independent directors.
2. The second term of office for the committee members is from June 13, 2024 to June 12, 2027. The Audit Committee met four (A) times during fiscal year 2025, and the attendance of independent directors is as follows:

Title	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual percentage of attendance(B / A) (note 1, note 2)	note
Independent Director	Yang, Chen-Yang	4	0	100	
Independent Director	Wang, Chien Hsiu	4	0	100	
Independent Director	Wu, Yun Rou	4	0	100	
Other matters that should be disclosed: 1. If the Audit Committee has any of the following circumstances, the date, term, agenda, dissenting opinions of independent directors, contents of reserved opinions or significant recommendations, decision results of the Audit Committee, and the company's handling of the Audit Committee's opinions should be disclosed. (1) Matters listed in Article 14-5 of the Securities and Exchange Act: see Note (1) below. (2) Other resolutions that have not been approved by the Audit Committee but have been approved by more than two-thirds of the entire board of directors: none. 2. The execution status of independent directors' recusal from interested party matters should include the names of the independent directors, the content of the agenda, reasons for recusal due to interests, and participation in voting: none. 3. The communication status between independent directors and the internal audit supervisor and accountant (including significant matters, methods, and results of communication on the company's financial and business status): see Note (A) below.					

Note 1: If there is independent directors who resigns before the end of the year, their departure date should be noted in the remarks column. The actual attendance rate (%) should be calculated based on the number of times the independent directors attended the audit committee during their tenure and the actual attendance.

Note 2: If there are changes in independent directors before the end of the year, both the new and old independent directors should be listed, and the remarks column should indicate whether the independent director is old, new, or re-elected, as well as the date of the change. The actual attendance rate (%) should be calculated based on the number of times the independent directors attended the audit committee during their tenure and the actual attendance.

Note (1):

(1) The Audit Committee of our company is composed of three independent directors, and the primary purpose of the Audit Committee's operation is to supervise the following matters:

1. The proper expression of the company's financial statements.
2. The selection (dismissal) and independence and performance of the signing certified public accountant.
3. The effective implementation of the company's internal control.
4. The company's compliance with relevant laws and regulations.
5. The management of existing or potential risks of the company.

(2)The duties of this committee are as follows:

1. Develop or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Assess the effectiveness of the internal control system.
3. Develop or amend procedures for significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending of funds to others, endorsement or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving conflicts of interest of directors themselves.
5. Significant asset or derivative transactions.
6. Significant lending, endorsement, or guarantee of funds.
7. Offering, issuance, or private placement of equity securities.
8. Appointment, removal, or remuneration of auditors.
9. Appointment or removal of financial, accounting, or internal audit directors.
- 10.The annual financial report signed or stamped by the chairman, manager, and accounting director, and the second quarter financial report that must be audited and certified by the auditor.
- 11.Other significant matters required by the company or regulatory authorities.

(3) The resolution of the 2025 Audit Committee meeting, as shown in the table below.

Date Resolution Unit	Cause Of Action	Udit Committee Resolution/Result.	Content of the independent director's dissenting opinions, reservations, or significant recommendations.	Handling of opinions about the audit committee from the company.	Matters having been approved by two-thirds or more of all directors without the approval of the audit committee.
The 2nd Session The 4th Meeting 2025.03.11	1. The business report, individual financial statement, and consolidated financial statement of 2024 have been completed, and are submitted for review	This case was passed by the chairman after consulting all attending committee members without objection, and was submitted for approval by the board of directors.	None	-	None
	2. A deficit compensation proposal for the year 2024 has been drawn up, and the deficit compensation plan has been completed and submitted for review.	This case was passed by the chairman after consulting all attending committee members without objection, and was submitted for approval by the board of directors.	None	-	None
	3. The independence and competency of certified public accountants, and the proposal for the change of certified public accountants of the Company are proposed for review.	As this proposal concerned the discussion of the independence and competence of the accountants of Deloitte Taiwan, which involved their own interests, Manager Chia, Hsin-Ying, who was present at the meeting on behalf of Deloitte Taiwan, recused herself from the discussion and voting in accordance with the law. This case was passed by the chairman after consulting all attending committee members without objection, and was submitted for approval by the board of directors.	None	-	None
	4. The Company proposes to appoint Deloitte Taiwan to conduct the review and audit of the Company's 2025 and 2026 financial reports. The related annual service fee shall be NT\$5.15 million. The proposal is hereby submitted for deliberation.	As this proposal concerned the discussion of the independence and competence of the accountants of Deloitte Taiwan, which involved their own interests, Manager Chia, Hsin-Ying, who was present at the meeting on behalf of Deloitte Taiwan, recused herself from the discussion and voting in accordance with the law. This case was passed by the chairman after consulting all attending committee members without objection and was submitted for approval by the board of directors.	None	-	None
	5. The Company has completed the self-assessment of its 2024 Internal Control System, and the proposal is hereby submitted for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None
The 2nd Session The 5th Meeting 2025.05.12	1. The Company's financial report for the first quarter of 2025 has been completed and is hereby submitted for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None
	2. To establish the scope of the Company's entry-level employees, and submit the same for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None
	3. In order to meet the Company's actual operational needs, certain provisions of the Company's "Internal Control System" and "Detailed Rules for Internal Audit Implementation" have been amended. The proposal is hereby submitted for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection and was hereby submitted for approval by the board of directors.	None	-	None
The 2nd Session The 6th Meeting 2025.08.12	1. The Company's financial report for the second quarter of 2025 has been completed and is hereby submitted for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None

Date Resolution Unit	Cause Of Action	Udit Committee Resolution/Result.	Content of the independent director's dissenting opinions, reservations, or significant recommendations.	Handling of opinions about the audit committee from the company.	Matters having been approved by two-thirds or more of all directors without the approval of the audit committee.
	2. To discuss the transfer of shares repurchased under the Company's third treasury stock buyback program to employees.	This case was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None
	3. To discuss the transfer of shares repurchased under the Company's fourth treasury stock buyback program to employees.	This case was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None
The 2nd Session The 7th Meeting 2025.11.11	1. The Company's financial report for the third quarter of 2025 has been completed and is hereby submitted for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None
	2. The Company's "2026 Internal Audit Plan" has been completed and is hereby submitted for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None
	3. The Company proposes to appoint R&D consultants in order to enhance research and development technologies, and management consultants in order to optimize management practices. The proposal is hereby submitted for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection,	None	-	None
	4. The execution status of the Company's third and fourth treasury stock buyback programs for transfer to employees is hereby submitted for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection,	None	-	None
	5. The pre-approval of non-assurance services to be provided by Deloitte Taiwan (the certifying CPA firm) for fiscal year 2026 is hereby submitted for deliberation.	This case was passed by the chairman after consulting all attending committee members without objection,	None	-	None
The 2nd Session The 8th Meeting 2026.03.10	1. The Company's 2025 Business Report, parent company only financial statements, and consolidated financial statements have been completed and are hereby submitted for deliberation.	This proposal was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None
	2. The proposed 2025 loss compensation plan and the statement of loss compensation have been completed and are hereby submitted for deliberation.	This proposal was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None
	3. To evaluate the independence and competence of the Company's certified public accountants, and submit the same for deliberation.	As this proposal concerned the discussion of the independence and competence of the accountants of Deloitte Taiwan, which involved their own interests, Manager Chia, Hsin-Ying, who was present at the meeting on behalf of Deloitte Taiwan, recused herself from the discussion and voting in accordance with the law. This case was passed by the chairman after consulting all attending committee members without objection and was submitted for approval by the board of directors.	None	-	None
	4. The Company has completed the self-assessment of its 2025 Internal Control System, and the proposal is hereby submitted for	This proposal was passed by the chairman after consulting all attending committee members without objection, and was hereby submitted for approval by the board of directors.	None	-	None

Date Resolution Unit	Cause Of Action	Udit Committee Resolution/Result.	Content of the independent director's dissenting opinions, reservations, or significant recommendations.	Handling of opinions about the audit committee from the company.	Matters having been approved by two-thirds or more of all directors without the approval of the audit committee.
	deliberation.				

Note (A): Communication between Independent Directors, Internal Audit Supervisor, and Accountant

1.Communication Policy between Independent Directors, Internal Audit Supervisor, and Accountant

- (1) Independent directors, internal audit supervisors, and accountants shall hold regular meetings at least twice a year to report to the independent directors on the company's financial status, the financial and operational status of domestic and foreign subsidiaries, and the status of internal control audits; and should fully communicate on significant adjustments or changes in laws and regulations that may affect the company's accounting. In case of significant abnormal matters, meetings may be called at any time.
- (2) The internal audit supervisor shall regularly report to the audit committee on:
 - (a) The annual internal audit plan.
 - (b) The annual professional training plan for audit personnel.
 - (c) The status of internal audit business execution.
- (3) The accountant shall attend the audit committee meetings at least twice a year to report on the results of the annual audit.
- (4) Other matters: In case of significant abnormal matters, or when independent directors, internal audit supervisors, and accountants find it necessary to hold independent meetings, meetings may be called irregularly at any time.

2.Summary of communication between independent directors, internal audit executives, and accountants in each period:

Date	Attendant	Communication Highlights	Communication Result
2025/3/11	Independent Director: Yang, Chen-Yang Independent Director: Wang, Chien-Hsiu Independent Director: Wu, Yun-Jou CPA: Wu, Chiu-Yen Chief Audit Officer: Lee, Kun-Hsueh	Communication with Those Charged with Governance – Conclusions on the Audit of the 2024 Financial Statements: ● Audit scope and procedures ● Group audit ● Significant accounting policies, significant accounting estimates, and significant events or transactions ● Significant risks and key audit matters ● Other communication matters	The independent directors had no opinions at this meeting.
2025/11/11	Independent Director: Yang, Chen-Yang Independent Director: Wang, Chien-Hsiu Independent Director: Wu, Yun-Jou CPA: Wu, Chiu-Yen Chief Audit Officer: Lee, Kun-Hsueh	Communication with Those Charged with Governance – 2025 Audit Planning ● Responsibilities of those charged with governance ● Audit scope and methodology ● Group audit ● Significant accounting policies, significant accounting estimates, and significant events or transactions ● Significant risks and key audit matters ● ● Assessment of the Going Concern Assumption: No material uncertainty regarding the going concern assumption has been identified as of the current date. Internal Control Deficiencies Identified During the Audit Process: No material deficiencies have been identified as of the current date.	The independent directors had no opinions at this meeting.

(3) Corporate Governance – Implementation Status and Deviations from the
Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established its Corporate Governance Best-Practice Principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and disclosed them on the company website.	None
2. Shareholding Structure and Shareholders’ Rights	V		To ensure shareholders’ rights, the Company’s spokesperson, acting spokesperson, or stock agency handles suggestions for best-handling shareholders’ suggestions, concerns, and disputes.	None
(1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes, and litigation matters. If yes, have these procedures been implemented accordingly?	V			
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		The Company knows the identity of its major shareholders and the parties with ultimate control of the major shareholders according to the shareholder register provided by the stock agent on the ex-dividend date and declares the changes in shareholdings and changes in increase and decrease of pledges of the directors, supervisors, managers, and major shareholders regularly in accordance with regulations to ensure stability in management franchise.	None
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		The risk management of the Company and its affiliates includes “Regulations for Supervising Subsidiaries,” “Rules Governing Financial and Business Matters Between Related Parties,” “Regulations of Corporation Risk Management,” and “Regulations Governing Related Party Transactions,” in addition to the credit facility of corporate clients and related internal control systems, enabling timely risk management system and a firewall.	None
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		The company has established the “Codes of Ethical Conduct for Directors and Managers” and “Procedures for Handling Material Inside Information” applicable to the directors, managers, and employees of the Company; related information is updated and promoted at various intervals	None.
3. Composition and responsibilities of the Board of Directors	V			
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		The Company’s Board of Directors has formulated a Board Diversity Policy regarding the board’s composition, specific management objectives, and implementation status can be referred to in page13~14of the annual report.	None.
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		V	The Company has established the audit committee and the remuneration committee by law; the rest of the corporate governance operations are held responsible by the various department according to the content. Other functional committees have not been established and will do so in the future when evaluated as necessary.	Other functional committees will be established in the future when necessary
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		The Company established “Regulations for Evaluating Performance of the Board of Directors” in 2020; self-evaluation is conducted annually, and evaluation by external independent professional institutions or an external team of experts and scholars at least once every 3 years. The results of performance evaluations shall be a reference for the election and nomination of directors, and the assessment results of individual directors shall be a reference when the remuneration committee reviews and determines salary/compensation. The external evaluation results of the 2025 performance of the Board of Directors entrusted to the Taiwan Association of Board of Governance by the Company have been submitted to the Board of Directors on March 10, 2026, as a basis for review and improvement. The overall operation of the 2025 Board of Directors and functional committees (audit committee, remuneration committee) have been evaluated as “excellent”. The evaluation results, relevant evaluation content, methodology, implementation status, and evaluation results can be referred to on the company’s website: https://www.gem.com.tw Section on Corporate Governance..	None.

(4) Does the Company regularly evaluate its external auditors' independence?	V	The Audit Committee and the Board of Directors of the Company evaluate the independence and competence of their CPAs every year, and the CPAs issue a statement of independence. The relevant evaluation results are detailed on page 33 of the annual report (Note 1). The evaluation criteria refer to the Audit Quality Index (AQI) to assess the performance of professionalism, quality control, independence, supervision, and innovation ability in five aspects and 13 indicators. It has been confirmed that the accountant is independent of the Company and can provide audit and certification services for our financial reports, as well as various financial, accounting, and tax consulting services. The evaluation results for the past year have been reviewed and approved by the Audit Committee on March 10, 2026, and submitted to the Board of Directors for approval on March 11, 2026, regarding the assessment of the independence and competence of the accountant.	None.															
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V	The Company has been approved by the resolution of the board of directors to appoint a corporate governance supervisor, who is the highest supervisor in charge of corporate governance-related affairs, and has at least three years' experience in charge of financial and stock affairs of public offering companies, which meets the eligibility requirements. Its main functions and powers are to handle matters related to the board of directors and shareholders' meetings, coordinate and direct the production of shareholders' meetings and minutes of the board of directors, assist directors to take up their posts and continue their studies, provide information required by directors to carry out their business and assist them to comply with laws and regulations, and other matters stipulated in the company's articles of association or contract. Continuing education status of corporate governance supervisors in 2025: <table><tr><th>Date</th><th>Course</th><th>hours</th></tr><tr><td>2025/8/12</td><td>AI-Era Intelligent Transformation of Internal Control and Internal Audit</td><td>3</td></tr><tr><td>2025/8/28-29</td><td>Greenhouse Gas Management Practical Workshop and Sustainability Promotion Seminar</td><td>9</td></tr><tr><td>2025/11/11</td><td>Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy</td><td>3</td></tr><tr><td>2025/10/31</td><td>2025 Legal Compliance Seminar on Insider Equity Transactions</td><td>3</td></tr></table>	Date	Course	hours	2025/8/12	AI-Era Intelligent Transformation of Internal Control and Internal Audit	3	2025/8/28-29	Greenhouse Gas Management Practical Workshop and Sustainability Promotion Seminar	9	2025/11/11	Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy	3	2025/10/31	2025 Legal Compliance Seminar on Insider Equity Transactions	3	None.
Date	Course	hours																
2025/8/12	AI-Era Intelligent Transformation of Internal Control and Internal Audit	3																
2025/8/28-29	Greenhouse Gas Management Practical Workshop and Sustainability Promotion Seminar	9																
2025/11/11	Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy	3																
2025/10/31	2025 Legal Compliance Seminar on Insider Equity Transactions	3																
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V	The Company has established a stakeholder section on its official website at https://www.gem.com.tw/csr-stakeholder. Communication channels have been established for shareholders, employees, customers, and suppliers, through which the Company responds appropriately and on a regular basis to major corporate social responsibility issues of concern to stakeholders.	None.															
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V	The Company has designated a professional shareholder services agent, the Stock Agency Department of SinoPac Securities Corporation, to handle matters related to our shareholder meetings.	None.															
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V	The Company has set up Investor's Relations Section on the company's website to disclose information regarding the Company's financials, business and corporate governance. The website of the company is : https://www.gem.com.tw. The Company established regulations such as "Corporate Governance Best Practice Principles," "Guidelines for the Adoptions of Codes of Ethical Conduct for Directors and Managers," "Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders With Controlling Power" and "Ethical Corporate Management Best Practice Principles" to implement corporate governance, the regulations related to corporate governance are placed in the Corporate Governance Section available for shareholders and stakeholders to review and read.	None.															
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V	The Company has established a spokesperson and acting spokesperson system for information collection and disclosure, serving as the main bridge of external communication. The company maintains an English-language website, attaching English content in the corporate governance section, enhancing information transparency, and implementing English versions of corporate governance-related regulations to provide company information for foreign investors.	None.															
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V	The Company has published and reported its annual financial statements, and financial statements for Q1, Q2, and Q3, and filed monthly operating status within the regulated deadline.	None.															

8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V	(I) Protecting employee rights and interests and employee care: 1. To protect the well-being of all the employees, the Company stipulates the rights and obligations of both the employer and the employees, strengthens a sound management system and organizational functions, provides a safe, healthy, and fair working environment by formulating “GEM TERMINAL IND.CO., LTD. Work Rules Handbook.” 2. In addition to establishing various management regulations to protect the rights and interests of employees by law, the Company formulated “Regulations Governing Year-end Bonuses” and “Regulations Governing Handling Employee Stocks and Employee Bonuses” to enhance employee welfare according to the business performance of the Company and individual performance of the employee. The partial amendments to the “Regulations Governing Handling Employee Stocks and Employee Bonuses” and bonuses of employees of earnings distribution proposal were thoroughly discussed by the Remuneration Committee and submitted to the Board of Directors for resolution. 3. The Company establishes good communication channels for the employees. Besides the proposal system that regulates bonuses for effective proposed suggestions, each employee of the Company has their e-mail, there is a suggestion box in the Security Room, and Labor-Management Coordination and Employee Welfare Committee meetings are convened at regular intervals. The employees’ opinions can be directly communicated to the management, and responses and complaints can be heard through the suggestion box. 4. Regarding Employee care : The Company has established the Employee Welfare Committee, which oversees planning and managing employee welfare. Holding regular health check-ups, regular subsidies for domestic travel, and irregular subsidies for foreign travel, also providing Employee’s Children Scholarship Program, wedding subsidy, and funeral subsidy, emphasizing the employees' health and leisure activities. (2) Regarding Investor relations and Stakeholder rights : : 1. The Stakeholder section of the Company website has a bulletin board system and investor service email; the spokesperson is in charge of investor relations and reports to the Chairman of the Board of Directors. Besides visiting the Company and meeting with spokespersons, investors inquire mostly by phone and email. Therefore the Company website also provides the contact email for the Audit Committee so that the investing public and directly contact the Audit Committee. 2. The Company formulated “Procedures for Handling Material Inside Information” as the basis for announcing material information and disclosing immediate, complete, and accurate information to the public. (3) Directors' further education: 1. The directors of the current (12th) session of the Company have studied in accordance with the regulations in 2025 and as of the date of publication of the annual report. See pages 35 of the annual report for details of the relevant studies (Note 2).. (4) Risk Management Policies and Risk Evaluation Standards : The Company established “Regulations of Corporation Risk Management” implemented after approval by the Board of Directors, regulating related risk management policies and risk evaluation standards. The Company also establishes a risk management organizational structure to supervise, plan and implement related risk management issues and the function and duties of related departments. (5) The Implementation of Customer Relations Policies : The Company and its subsidiaries have established a business line of credit for business customers to regulate the credits of customers. At the same time, the Company provides customers with high-quality products, delivers on time, and maintains satisfactory and trustworthy service as the highest principle, striving to reduce production costs and creating a win-win and co-growth relationship with the customers. (6) The Company's purchase of liability insurance for directors and managers: The Company has taken out liability insurance for directors and important managers, reported the insurance situation to the Board of Directors on August 12, 2025, and revealed it in the "Corporate Governance" area of the MOPS.s. <table><tr><td>Insured object</td><td>Insurance company</td><td>insured amount</td><td>insured period</td></tr><tr><td>All directors and important managers</td><td>Fubon Products Insurance Co., Ltd</td><td>US dollar: 3 million</td><td>From June 1, 2025 Up to: June 1, 2026</td></tr></table>	Insured object	Insurance company	insured amount	insured period	All directors and important managers	Fubon Products Insurance Co., Ltd	US dollar: 3 million	From June 1, 2025 Up to: June 1, 2026	None.
Insured object	Insurance company	insured amount	insured period								
All directors and important managers	Fubon Products Insurance Co., Ltd	US dollar: 3 million	From June 1, 2025 Up to: June 1, 2026								
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.											
(1) The results of corporate governance evaluation released in the most recent fiscal year show that the situation has been improved.											
A. The diversification policy of the company's board of directors and its implementation: On June 13, 2024, directors were re-elected, and the elected list included two female directors, which were disclosed on the company's website and MOPS.											
B. Promote the sustainable development of professional (part-time) institutions, and establish a blueprint for sustainable development and a sustainable report: The Company has set up a "sustainable development operation group" as the company's dedicated unit for sustainable development, and completed the preparation of the sustainable report according to the "specific promotion plan for sustainable development" submitted to the board of directors on March 10, 2026.											
(2) Where the results of corporate governance evaluation released in the most recent fiscal year show that it has not been improved, put forward priority strengthening											

matters and measures.

The 12th corporate governance evaluation of the Company in 2025, the evaluation result is the top 81% to 100% of listed companies, and the ranking range of market value is less than NTD 5 billion : 41% to 60%; According to the current situation, priority improvement measures or gradual improvement plans have been put forward in order to enhance the corporate governance image.

(Note 1): Assessment form of independence and suitability of appointed accountant:

Certified Public Accounting Firm: Deloitte Taiwan

Certified Public Accountants (CPAs): Accountant Wu, Chiu-Yen, and Accountant Chang, Tzu-Yuan

Item	Evaluation Item	Evaluation Result:	Whether they meet the criteria for independence and suitability
1	Whether the appointed accountant has no significant financial interest with the company.	Yes	Yes
2	Whether the appointed accountant has no inappropriate relationship with the company.	Yes	Yes
3	Whether the appointed accountant ensures that their assistants abide by honesty, impartiality, and independence.	Yes	Yes
4	Whether the appointed auditor now has or had in the past two years, any significant financial interests or relationships with the company that may compromise their independence and suitability.	Yes	Yes
5	During the audit period, whether the appointed accountant, their spouse, or dependent relatives have held positions as directors, supervisors, managers, or other roles that have a direct and significant impact on the audit work of the company. If a relative within the fourth degree of kinship of the appointed accountant holds a position as a director, supervisor, manager, or other role that has a direct and significant impact on the audit work of the company, their violation of independence must be reduced to an acceptable level.	Yes	Yes
6	Whether the appointed auditor received significant gifts or presents (whose value does not exceed the standard of general social etiquette) from the company, directors, or managers?	Yes	Yes
7	Whether the appointed auditor used their name for the benefit of others?	Yes	Yes
8	Whether the appointed auditor had any financial borrowing or lending with the company, yet normal financial transactions in the financial industries not included?	Yes	Yes
9	Whether the appointed auditor engaged in any other business that may compromise their independence?	Yes	Yes
10	Whether the appointed auditor received any commission related to the company's business?	Yes	Yes
11	Whether the appointed auditor have specialized knowledge and experience and a good understanding of the company?	Yes	Yes
12	Whether the appointed auditor not been subject to significant penalties by the competent authority?	Yes	Yes

(Note 2): Continuing education of directors:

The continuing education of the current (12th) directors and supervisors of the Company of the year 2025 and up to the date of publication of the annual report is as follows according to regulations:

Title	Name	Date of first appointment	Date of training	Organizer	Name of course	Hours of training	Whether The Training Follows The Protocol
Chairman	Su, Tun-Li	1997/11/22	2025/08/12	Taiwan Corporate Governance Association	AI-Era Intelligent Transformation of Internal Control and Internal Audit	3	Yes
			2025/11/11	Taiwan Corporate Governance Association	Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy	3	Yes
Vice Chairman	Su, Chung-Hong	2009/06/20	2025/08/12	Taiwan Corporate Governance Association	AI-Era Intelligent Transformation of Internal Control and Internal Audit	3	Yes
			2022/11/11	Taiwan Corporate Governance Association	Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy	3	Yes
Director	Su, Hsing-Hsien	2021/8/12	2025/08/12	Taiwan Corporate Governance Association	AI-Era Intelligent Transformation of Internal Control and Internal Audit	3	Yes
			2025/11/11	Securities and Futures Institute	Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy	3	Yes
Director	Guu, Herng Chang	2024/06/13	2025/08/12	Taiwan Corporate Governance Association	AI-Era Intelligent Transformation of Internal Control and Internal Audit	3	Yes
			2025/11/11	Taiwan Corporate Governance Association	Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy	3	Yes
Independent Director	Yang, Chen-Yang	2003/06/20	2025/08/12	Taiwan Corporate Governance Association	AI-Era Intelligent Transformation of Internal Control and Internal Audit	3	Yes
			2025/11/11	Taiwan Corporate Governance Association	Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy	3	Yes
Independent Director	Wang, Chien Hsiu	2024/06/13	2025/08/12	Taiwan Corporate Governance Association	AI-Era Intelligent Transformation of Internal Control and Internal Audit	3	Yes
			2025/11/11	Taiwan Corporate Governance Association	Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy	3	Yes
Independent Director	Wu, Yun Rou	2024/06/13	2025/08/12	Taiwan Corporate Governance Association	AI-Era Intelligent Transformation of Internal Control and Internal Audit	3	Yes
			2025/11/11	Taiwan Corporate Governance Association	Analysis of International Tax Trends and the Pillar Two 2.0 Tax Policy	3	Yes

(4) the Composition, Responsibilities and Operations of the Remuneration Committee:

1. Information on Remuneration Committee Members

Capacity (Note 1)	Qualifications Name	Professional Qualifications and Experience (Note 2)	Independence Analysis (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (Convener)	Yang, Chen- Yang	Related information on the professional qualification of the Directors and independence analysis of independent directors are disclosed, please refer to p.12 of the annual report.		0
Independent Director	Wang, Chien Hsiu			0
Member of the Remuneration Committee	Chen, Shao Tsung			0

2. Operation of the Remuneration Committee

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

II. The term of the current members is from June 21, 2024 to June 12, 2027. The number of remuneration committee meetings held in 2025 was 4 (A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A) (Notes)	Remarks
Convener	Yang, Chen-Yang	4	0	100	
Member	Wang, Chien Hsiu	4	0	100	
Member	Chen, Shao Tsung	4	0	100	

Other information required to be disclosed:

1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): none.
2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: none.

Notes:

- (1) If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.
- (2) If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.
2 remuneration committee meetings was held in 2023.
- (3) The duty and responsibilities of the remuneration committee are in accordance with Article 7 of The Remuneration Committee Charter. Please refer to Corporate Governance Section of the Company website: www.gem.com.tw.

(4)The meeting date, meeting session number, content of the motion, the outcome of the resolution of the Remuneration Committee, and the measures taken by the Company based on the opinion of the Remuneration Committee: as shown in the following table.

Remuneration Committee	Content of the Motion and Measures Taken	Outcome of the Resolution	Measures taken by the Company based on the opinion of the Remuneration Committee
The 6th Session, 3rd Meeting March 11, 2025	1. It is proposed that Manager Lin, Yu-Min of the Plant Affairs Department be reassigned and promoted to the position of Associate Vice President of the R&D Technology Department. The proposal is hereby submitted for discussion.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Board of Directors, approved and passed by entire bodies of directors
	2. It is proposed that Manager Chen, Chin-Hsien of the Quality Assurance Section be promoted to the position of Associate Vice President of the Plant Affairs Department. The proposal is hereby submitted for discussion.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Board of Directors, approved and passed by entire bodies of directors
	3. It is proposed to newly appoint Mr. Hung, Chu-Hung as Manager of the Quality Assurance Section. The proposal is hereby submitted for discussion.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Board of Directors, approved and passed by entire bodies of directors
The 6th Session, 4th Meeting August 12, 2025	1. To discuss the transfer of shares repurchased under the Company's third treasury stock buyback program to employees.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Board of Directors, approved and passed by entire bodies of directors.
	2. To discuss the transfer of shares repurchased under the Company's fourth treasury stock buyback program to employees.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Audit Committee, approved and passed by entire bodies of directors.
The 6th Session, 5th Meeting November 11, 2025	1. The execution status of the Company's third and fourth treasury stock buyback programs for transfer to employees is hereby submitted for discussion.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Board of Directors, approved and passed by entire bodies of directors.
	2. It is proposed that Associate Vice President Chen, Chin-Hsien of the Plant Affairs Department be reassigned and promoted to the position of Group Vice President, serving as Executive Vice President of Suzhou GEM Photon Terminal Co., Ltd. and Dongguan GEM Electronic Hardware Co., Ltd., while concurrently serving as General Manager of Suzhou GEM Photon Terminal Co., Ltd. The proposal is hereby submitted for discussion.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Board of Directors, approved and passed by entire bodies of directors.
	3. It is proposed that Deputy Manager Teng, Meng-Huan of the Finance Department be promoted to Finance Manager of the Finance Department. The proposal is hereby submitted for discussion.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Board of Directors, approved and passed by entire bodies of directors.
	4. It is proposed that Deputy Manager Yang, Pei-Hsin of the Finance Department be promoted to Accounting Manager of the Finance Department. The proposal is hereby submitted for discussion.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Board of Directors, approved and passed by entire bodies of directors.
The 6th Session, 6th Meeting December 30, 2025	1. In response to the Company's internal organizational adjustments, it is proposed that Finance Manager Teng, Meng-Huan of the Finance Department concurrently serve as the Company's Corporate Governance Officer. The proposal is hereby submitted for discussion.	This case was passed according to the original proposal by all attending committee members without objection.	Submitted to the Board of Directors, approved and passed by entire bodies of directors.

(5)Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		On November 11, 2024, the Board of Directors of the Company approved the revision of the Internal Control System and added the operation of "Management of Sustainable Information Management". On March 11, 2025, the board of directors approved the revision of the Code of Practice for Sustainable Development and the formulation of a specific plan for sustainable development. The Sustainable Development Operation Group is the company's dedicated unit for sustainable development, with the general manager as the general convener, responsible for the overall planning and promotion of the company's sustainable development. There are six working groups under it, including corporate governance, employee care, social participation, environmental sustainability, product management and customer care whose members are the heads and members of each department. That way, resources can be effectively integrated for implementing the sustainability strategies on each department to execute. Members of the board of directors also fully expressed their professional suggestions during the discussion of the proposal, and supervised the management team to accurately implement relevant strategies.	None
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		The disclosed information covers the Company's sustainable development performance at all main operational locations from January to December 2025. The risk assessment boundary primarily focuses on the Company and current operational locations in Taiwan, China, and Vietnam. Subsidiaries such as Suzhou GEM, Dongguan GEM, and Vietnam GEM are included within the scope based on their relevance to the core business operations and their potential impact on significant issues. According to the latest GRI standard, the risk assessment and significance analysis of positive and negative impact possibility and impact degree of related sustainable issues are carried out from three aspects: stakeholder attention, overall operation of the organization and sustainable development, and major sustainable issues are identified, which are not only used to compile sustainable reports, but also the company's future sustainable development goals. In accordance with the assessed risks, major issues and risk management policies are formulated as follows: 1. Environment: In order to respond to the global trend of zero carbon emissions and fulfill corporate social responsibility to implement the sustainable development of enterprises, the company not only promoted the green supply chain and strengthened the process safety management to emphasize environmental protection and reduce the impact on the environment during the process, but also passed the specific objectives of sustainable development and risk management policies on March 11, 2025 to ensure the achievement of the sustainable goals. A. Implementing wastewater treatment, air pollution prevention, and local government environmental regulations management to achieve long-term compliance with emission standards and contribute to the protection of the Earth's environment. B. In 2025, the Company appointed the consultant team from the Commercialization and Industry Service Center of Industrial Technology Research Institute to conduct an annual greenhouse gas inventory in accordance with ISO/CNS 14060 standards. The internal inventories has been completed at the Taiwan, Suzhou, Dongguan, and Vietnam plants, and signed a contract with the verification unit TUV SUD. The S2 audit has been completed in the Taiwan pant, Suzhou plant, Dongguan plant, and Vietnam plant in June 2026, and the inspection certificate is expected to be obtained in September 2026. C. Developing internal audit plan annually to assess the Company's compliances to various environmental regulations and to audit each	None

		operational process for compliance. 2. Society: Focusing on occupational safety and product safety, holding at irregular intervals each year industrial safety training, training of emergency personnel, and fire drill to cultivate the emergency response capabilities of the employee. Also, our Company product complies with the limitations of hazardous substance standards of RoHS (Restriction of Hazardous Substances). The Company website also provides a smooth and open communication channel for various stakeholders; the complaints are handled by special personnel to maintain high-quality service and satisfaction of the consumers and customers. 3. Corporate Governance: Implementation of internal control so that all operations of employees can fully comply with the related laws and regulations. Planning related issues on continuing education of Directors, providing the Directors with the newest rules and regulations each year, purchasing liability insurance for directors and managers, and strengthening the functions of the directors by protecting them from lawsuits or claims. The insurance coverage status was reported to the Board of Directors on August 12, 2025. To prevent risks of business or litigation caused by misunderstanding due to different positions of the stakeholders and the Company, the Company established various communication channels with the stakeholders to reduce confrontation and misunderstanding and has an investor mailbox, handled and responded to by the spokesperson. The Company has also established Regulations of Corporation Risk Management, covering market risks, credit risks, liquidity risks, operational risks, and legal risks, providing the head of the departments for reference and abide by to achieve the sustainable development business philosophy of the Company.	
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	V	The Company has obtained several quality management and environmental certifications, including IATF 16949, ISO14001, and QC080000, as well as management systems for greenhouse gas emissions. These certifications serve as the foundation for the Company's management systems. Additionally, the Company has appointed the Taiwan Accreditation Foundation to assist in obtaining the ISO/IEC17025 verification for Testing and Calibration Laboratories. The Suzhou Plant has passed the second-level standardized safety management system, implementing risk control for primary environment considerations, control of hazardous materials, and occupational safety and health risks, using proposals to improve the goals and the management of projects for priority in advancement, the lower risks are managed and controlled by process centering management methods. Regarding the increasingly important environmental issue, our company complies with the EU ROHS directive and global environmental trends, leading the way in obtaining VDE and BSI safety certifications, and fully developing environmentally friendly lead-free copper products for plugs in various countries to sustainably supply the market. As our company uses only regular materials, such as C2800 optimized environmentally friendly lead-free copper alloy (GEM19-589), as the material for connector terminals, and produces this type of copper alloy in-house at our Vietnam factory, we have become the exclusive manufacturer of connector terminals using in-house drawn copper alloy in the international market, possessing first-class EU environmental material manufacturing and lathe product processing capabilities. On June 9, 2021, GEM was invited to participate in an online meeting of RoHS exemption beneficiaries on the "Successful Replacement of Electrical Contact Components" and to discuss and share successful experiences together. The EU Advisory Council evaluated GEM's case as a viable alternative product for Door Opener, however, due to the broad impact of the product, it is difficult to apply to all processes. As a result, the European Union has ultimately decided to grant an exemption, extending the deadline until July 21, 2026. Moreover, the EU still mentioned in the final report that the participants generally agreed with GEM's successful conversion case.	None
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V	The current unit order completion rate of all units under Plant management is 98.7%, and the application of large-capacity facilities allows the order completion rate to reach over 99%. All the raw materials of copper plates are supplied by qualified suppliers and meet the hazardous substance restriction standards of RoHS. The batches of raw material are tested for heavy metal content by ICP and GC/MS bromide detector after each delivery; only the material reaching the regulated standards are processed for production.	None

		In 2023, the Company has completed the constructions and installation of solar energy generation facilities, promoting sustainable development values of ESG-ideal green energy to lower the impact of environmental burdens. Information regarding solar energy generation facilities <table><tr><td>Equipment</td><td>Investment amount (NT\$)</td><td>Total installed capacity</td><td>Total accumulated electricity sales</td></tr><tr><td>Renewable energy generation equipment - Photovoltaic</td><td>11.44 million</td><td>307.875 kW</td><td>887,976Wh</td></tr></table> Recently, Vietnam GEM has further increased its copper scrap recycling efforts to promote a circular economy, creating a more diversified sources of copper raw materials. Similarly, In 2026, Taiwan GEM expanded its waste copper recycling and reuse operations and has obtained approval from the Environmental Protection Bureau for its waste copper recycling and reuse projects, thereby further enhancing its cost advantages. Under these favorable conditions, the quality and supply capacity of the Company’s products are highly recognized and reliable, while also enabling the Company to fulfill its environmental protection responsibilities toward the planet.	Equipment	Investment amount (NT\$)	Total installed capacity	Total accumulated electricity sales	Renewable energy generation equipment - Photovoltaic	11.44 million	307.875 kW	887,976Wh											
Equipment	Investment amount (NT\$)	Total installed capacity	Total accumulated electricity sales																		
Renewable energy generation equipment - Photovoltaic	11.44 million	307.875 kW	887,976Wh																		
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V	1. Reducing the usage of electroplated electric heating pipes, in place, concentrate heating in stainless steel thermal insulation water tanks. The coil circulation provides high-safety and energy-saving heating, reducing carbon and greenhouse gas emissions. 2. Application of related large-capacity facilities(material recall equipment/welding machine) increasing the order completion rate to 99%, reducing copper material waste. 3. Regarding global environmental pollution and severe ecological damage, major environmental problems threaten the future survival and development of humans, including damage to the ozone layer, global warming, and loss of biodiversity; in response to the development of international environmental protection, the Company has passed the ISO9001 and ISO IATF16949 certifications for quality management. Additionally, in response to international environmental regulations, the Company has developed low-lead copper products certified by the BSI in England and the VDE in Germany. Furthermore, to address climate change, the Company has obtained certification of ISO14001 and QC080000 Environment Protection System. Starting from the 3rd quarter of 2022, the Company shall report the implementation of the schedule of Greenhouse Gas Inventory Plans to the Board of Directors for management, implementing the environmental impact evaluations and response measures due to climate change.	None The Company has not count up the amount of greenhouse gas emission.																		
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V	The Company conducts statistical control of water consumption and waste regularly and appropriately posts slogans and signs to reduce water usage near water facilities. As for waste disposal, the Company entrusts professional and qualified Waste Disposal Companies to dispose of waste in accordance with the “Waste Disposal Act.” Power Consumption for the Past Two Fiscal Years: <table><tr><td></td><td>2024</td><td>2025</td></tr><tr><td>kilowatt-hour</td><td>3,578,776</td><td>4,206,416</td></tr><tr><td>Carbon Emission (Unit : KG)</td><td>1,769,606</td><td>2,021,509</td></tr></table> Water Consumption for the Past Two Fiscal Years : <table><tr><td></td><td>2024</td><td>2025</td></tr><tr><td>Degrees (Water meter)</td><td>6,806</td><td>9,042</td></tr><tr><td>Carbon Emission (Unit : KG)</td><td>1,061</td><td>1,356</td></tr></table>		2024	2025	kilowatt-hour	3,578,776	4,206,416	Carbon Emission (Unit : KG)	1,769,606	2,021,509		2024	2025	Degrees (Water meter)	6,806	9,042	Carbon Emission (Unit : KG)	1,061	1,356	None
	2024	2025																			
kilowatt-hour	3,578,776	4,206,416																			
Carbon Emission (Unit : KG)	1,769,606	2,021,509																			
	2024	2025																			
Degrees (Water meter)	6,806	9,042																			
Carbon Emission (Unit : KG)	1,061	1,356																			

4. Social Issues															
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V	1. The Company establishes the Work Rules Handbooks and various management regulations according to the International Labor Organization's "Declaration on Fundamental Principles and Rights at Work", "International Human Rights Law" and " The 10 principles of United Nations Global Compact (UNGC)", ensuring the employees and supply chain a safe working environment, the employees are respected and dignified, operation of business promote environmental protect and abide code of ethics, regularly convening labor-management coordination meetings, keeping a healthy labor-management communication platform, also establishing Employee Welfare Committee to conduct various welfare matters. The employment policy of the Company has no discrimination in sex, race, age, marital and family status, implementing equality in remuneration, employment qualifications, training, and promotion opportunities. 2. Implementation policy (1) The supervisors and employees conduct communication meetings irregularly. (2) 24-hour service hotline and suggestion box for employees (3) Propaganda for Prevention of Sexual Harassment in Workplace, along with corresponding complaint procedures and disciplinary actions irregularly (4) Irregular promotion of Preventing Workplace Bullying Announcement (5) Labor-Management Meetings (6) Providing Employee Health Checkups irregularly (7) Conducting questionnaires on Employee Satisfaction (8) Eliminating illegal discrimination to ensure equal working rights (9) Simplifying work process through BPM electronic digital signatures, elevating work efficiency, keeping a clean and safe environment, protecting the well-being of the environment and employees, enhancing the communication efficiency between departments (10) Paying the salary on time, maintaining the basic living conditions of the individual and family (11) Stipulate clear bonus and punishment regulations and financial bonuses policies to increase work efficiency and the feeling of being valued. (12) Continuing internal and external educational training irregularly to increase the long-term dedication and reliance of employees to the Company (13) Increasing long-term loyalty of employees to the Company by requiring the signing of Employee Non-Disclosure Agreement The Company is committed to providing employees with a workplace that values dignity and safety. We ensure fairness in employment diversity, compensation, and promotion opportunities, regardless of race, gender, religion, age, political affiliation, or any other protected status. Discrimination, harassment, or unequal treatment based on these factors is strictly prohibited. We value diversity among our employees and comply with regulations outlined in the People with Disabilities Rights Protection Act by hiring individuals with disabilities. Furthermore, our Company has established comprehensive employee work rules covering various areas such as employment relations, occupational safety, employee welfare, employee trainings, channels for reporting and addressing workplace harassment, and violence prevention. We prioritize corporate social responsibility by promoting workplace diversity and advocating for gender equality policies. Gender equality and diversity Employee race index: <table><tr><td>Category</td><td>Percentage of total workforce</td></tr><tr><td>R.O.C. nationals</td><td>78.6</td></tr><tr><td>Foreign nationals</td><td>21.4</td></tr></table> Female diversity index: <table><tr><td>Index</td><td>Percentage (%)</td></tr><tr><td>Female employees in the total workforce (%)</td><td>35.7</td></tr><tr><td>Female managers among all managers (%)</td><td>30.3</td></tr></table>	Category	Percentage of total workforce	R.O.C. nationals	78.6	Foreign nationals	21.4	Index	Percentage (%)	Female employees in the total workforce (%)	35.7	Female managers among all managers (%)	30.3	None
Category	Percentage of total workforce														
R.O.C. nationals	78.6														
Foreign nationals	21.4														
Index	Percentage (%)														
Female employees in the total workforce (%)	35.7														
Female managers among all managers (%)	30.3														

		Other diversity index: <table><tr><td colspan="2">Category</td><td>Percentage of total full-time workforce</td></tr><tr><td rowspan="4">All employees</td><td>Grouping by age: < 30</td><td>14.5</td></tr><tr><td>Grouping by age: 30~50</td><td>56.5</td></tr><tr><td>Grouping by age: >50</td><td>29</td></tr><tr><td>Total</td><td>100</td></tr></table> Pay equity index <table><tr><td>Pay equity index</td><td>Difference (%)</td></tr><tr><td>Difference in average salary between male and female</td><td>17.18</td></tr></table>	Category		Percentage of total full-time workforce	All employees	Grouping by age: < 30	14.5	Grouping by age: 30~50	56.5	Grouping by age: >50	29	Total	100	Pay equity index	Difference (%)	Difference in average salary between male and female	17.18	
Category		Percentage of total full-time workforce																	
All employees	Grouping by age: < 30	14.5																	
	Grouping by age: 30~50	56.5																	
	Grouping by age: >50	29																	
	Total	100																	
Pay equity index	Difference (%)																		
Difference in average salary between male and female	17.18																		
(2) Has the Company established and implemented reasonable employee welfare measures (including salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V	The Articles of Incorporation of the Company clearly stipulates that when Company has a profit before tax for each fiscal year, the Company shall set aside no less than 3% of the remaining profit for distribution to the employees. The Company also stipulates a reasonable Policy on Salary, Bonuses, and Remunerations, enlisting clear and effective incentive rewards and punishments and bonuses in related regulations. By means of performance evaluation each quarter, the Company assesses various indicators to evaluate contributions of managers and individual employee to the Company's operations. These indices include Performance (25%), Capability (25%), Ethics (25%), and Knowledge (25%). Evaluation criteria cover achievement of performance goals, execution and planning capabilities, cooperativeness and coordination, as well as professional knowledge and communication skills. Rewards and punishments are handed out according to the evaluation results quarterly. Future promotions and compensation for both managers and employees are determined based on these evaluations, encouraging employees to enhance their professional skills and grow together with the Company. The Company places great emphasis on the promotion of talents through a complete performance management system; the hard work of the employees is reflected in bonuses, salaries and remunerations, training and promotions, building effective development and training of career abilities for excellent and potential talents, to enhance the overall positive development of the Company.	None																
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V	The majority of the Company’s production environment are equipped with air-conditioning facilities. For specialized manufacturing processes, dust collection system is installed to put an end to dust problems in workshops, maintaining a quality work environment for employees. The Company also holds health checkups for all employees. In terms of labor health protection, the Company employs Specialist in Occupational Medicine to provide the following services: ● The planning and implementation of health education, health promotion, and hygiene guidance for employees. ● Prevention and treatment of work-related injuries and illnesses, including physical, chemical, biological, human factors, and physiology factors, as well as health consultations, first aid, and emergency response. ● Assisting the Company in selecting appropriate job placements for employees. ● Analysis, assessment, management, and preservation of employees’ physical and health examination records. ● Research reports on occupational health and the preservation of records on injuries and illnesses. Designating employees to attend the following training programs: ‘Special Occupational Safety and Health Education and Training for Aerial Work Platform Operators’, ‘Refresher Training for Class A Occupational Safety and	None																

		Health Affairs Supervisors’, ‘Refresher Training for Fixed Crane Operators’, and ‘Refresher Training for First Aid Personnel’. The Company also installed an employee coffee bar for recess and the rest of the employees. In 2024, there were no employee occupational accidents, fire hazards, or public safety incidents reported within the Company.	
(4) Has the Company established effective career development training programs for employees?	V	The Company evaluates annually whether the workability of the employee is appropriate for their position by the needs of the organization, department, and individual. Using the work function questionnaire, department managers draft annual training plans based on employees' job responsibilities. These plans include participation in external training programs to acquire relevant certifications, enhancing professional skills, and developing career advancement.	None
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V	Countries such as Europe and the U.S. currently have high regulations on green environmental protection; the Company has always promoted green production. Due to the material structure of the Company product being copper and plastic, to ensure the product quality reaches the requirements of the RoHS environment protection directives, internally, the Company purchased ICP-OES heavy metal detector, GC/MS bromide detector, UV/VIS hexavalent chromium detector to conduct a quality inspection of the materials and products, fully implementing the RoHS environmental protection directives. The Company’s leading development of environmental micro lead-free copper alloy processing technology results has obtained the certification of the VDE and BSI product assessment, with the EU ROHS directive determining the lead content in the copper alloys is less than 4% (40000ppm), the current exemption date is set until July 21, 2026, the Company will then be able to be considered fulfilling its Corporate Social Responsibility for environmental protection. Also, the Company’s website provides a smooth communication channel for various stakeholders, and special personnel is in charge of handling complaints to maintain high-quality service and satisfaction to the consumers and customers.	None
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V	The Company pays great attention to the sustainable cooperation relationship with the suppliers, therefore establishing the “Management Procedure Manual for Material Suppliers,” requiring the related regulations be complied with by the suppliers in environmental protection and occupational safety, evaluating the related certifications regarding management quality of suppliers (ISO9001, IATF16949) and environmental system (ISO14001, QC080000) and “Inspection and Audit of the Environmental Quality Assurance System” to ensure the materials supplied by the supplier are in compliance to the hazardous and toxic substance restriction standards of RoHS, registered as qualified supplier after inspection. The Company establishes a comprehensive supply-chain management system, and conducts monthly supplier evaluations using supplier evaluation forms. These evaluations focus on the selection procedure of suppliers, evaluation and audit management, the grading and evaluation guidance in anticipation of building a sustainable growth environment together with suppliers.	None
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V	The compilation of the Company’s sustainability report is scheduled to begin in the third quarter of 2024. In the third quarter of 2024, the preparation of the sustainable development report was carried out. The counseling unit conducted education and training in the fourth quarter of 2024, and conducted a review at the end of the first quarter of 2025. According to the regulations of the FSC, the ESG sustainable development report was revealed before the end of August 2025.	None
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company’s operations: The Company has established the “Corporate Social Responsibility Best Practice Principles” by resolution of the Board of Directors in June 2011. These principles have undergone three revisions to strengthen their implementation. The implementation results are review on a regular interval. The Company has reviewed and improved in accordance with the principles by inspecting the status of the implementation regularly; the implementation to date shows no difference.			

7. Other important information to facilitate better understanding of the company's promotion of sustainable development:

1. In areas of community participation, social contribution, social services, social charity, and other activities of social responsibility, the Company invested NT\$ 1.72 million in 2025; activities are as follows:

(1) In support of animal welfare, the Company donated a total of NT\$290,000.: The Company made donations to Animal Protection Association of the Republic of China, Kaohsiung Association for Caring of Stray Animals, Tainan Dong Wang Wang Stray Animal Life Care Association, Taiwan Happy Dogs Foster Association, Tainan Hsu Director Animal Protection Association, Pingtung City Stray Dog Care Association, Taiwan Animal Emergency Rescue Association, and Tainan Stray Animal Protection Association.

(2) Striving in the promotion of education and giving back to the districts and people, with a total of NT\$ 1.15 million:

A. The Company made separate donations to Dashe Elementary School, Luzhu Elementary School, Yijia Junior High School, Wu Chia Junior High School, Luzhu Junior High School and Luzhu High School to promote regional education.

Donations to community educational initiatives in 2025

School	Initiative	Number of beneficiaries
Dashe Elementary School	Financial assistance for tuition and miscellaneous fees for underprivileged/vulnerable families	24 persons
	2025 Featured Activities – School Teams	52 persons
Yijia Junior High School	Financial assistance for tuition and miscellaneous fees for underprivileged/vulnerable families	94 persons
Luzhu Elementary School	Financial assistance for tuition and miscellaneous fees for underprivileged/vulnerable families	30 persons
Luzhu Junior/Senior High School	Financial assistance for tuition and miscellaneous fees for underprivileged/vulnerable families	24 persons

B. The Company made donations to the Tsaiwen Community Development Association, and Yaliau Baoan Temple.

(3) The Company remained committed to social care and emergency relief efforts, with total donations amounting to NT\$100,000, including a donation to Little Angel Home in support of underprivileged children.

2. Regarding Environmental Protection and Energy Saving :

(1) In terms of environmental protection and energy saving, besides implementing recycling and reusing the electroplating wastewater, the Company requires the employees to recycle, establish energy-saving management regulations, grow a habit of turning the lights off during the daily lunch break, set Thursday as the Recycle Day, in response to the policy of recycle and reuse. All the air conditioners in the Company have temperature signs attached, the temperature set at above 28°C

(2) Except for a few cases of electric heating, the majority heating systems have been transitioned to central heating systems and heat pumps, to achieve the goal of energy saving and carbon reduction.

(3) The Company and its subsidiaries have been certified by ISO14001 and QC080000 in 2013.

(4) Posting slogans and signs to reduce water usage near water facilities, reminding the employees to save energy and cherish water resources at all times.

3. Regarding Human Rights and Safety related areas :

(1) Workplace sexual harassment prevention measures, complaints, and disciplinary actions.

(2) Written statement on the prevention of workplace violence.

(3) Wear safety protection devices such as safety helmet, earplug and safety shoes in special places.

(4) A central material supply system is installed between plastic molding cars to prevent dust problems between work cars.

(5) Providing a complete series of occupational safety training classes: Fire Services, First-Aid Personnel, Emergency responses, etc.

4. Regarding the Protection of Consumer Rights and Interests

Countries such as Europe and the U.S. currently have high regulations on green environmental protection; the Company has always promoted green production. Due to the material structure of the Company product being copper and plastic, to ensure the product quality reaches the requirements of the RoHS environment protection directives, besides actively developing optimized environmentally friendly micro lead-less copper in Vietnam, internally, the Company purchased ICP-OES heavy metal detector, GC/MS bromide detector, UV/VIS hexavalent chromium detector to conduct a quality inspection of the materials and products, fully implementing the RoHS environmental protection directives.

Note 1: If “Yes” is ticked in the “Implementation status” column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If “No” is ticked in the “Implementation status” column, please explain the deviations and the reasons in the “Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons” column and explain the Company's plans for adoption of related policies, strategies, and measures in the future.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

Note 3: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(6) Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	According to the "Sustainable Development Roadmap" issued by the Financial Supervisory Commission R.O.C. (Taiwan) in March 2022, the Company, being a listed company with a capital of less than NT\$5 billion, shall be subjected to Phase 3 of greenhouse gas inventory and assurance action plans. This requires completing individual company inventories by 2026 and assurance by 2028. We will continue to conduct greenhouse gas inventory and assurance operations in accordance with the guidelines and regulations provided by the competent authorities. The Company has established a Greenhouse Gas Inventory Promotion Task Force to address issues related to climate change. The organizational boundary is established with the Taiwan plant leading the implementation of greenhouse gas inventory, covering overseas plants within the inventory scope. Subsequent governance plans will be developed based on the assessment results of the inventory. The Company submits quarterly progress reports regarding the implementation status of greenhouse gas inventory and assurance to the Board of Directors for supervision, following the disclosure schedule established by the Financial Supervisory Commission R.O.C. (Taiwan).
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company's short-term strategy involves the implementation of the ISO 14001: Environmental Management Systems. We thoroughly assess the environmental impact of our product production process, from the purchasing of raw materials, design, manufacturing, logistics, shipment, to customer usage, aiming to minimize our environmental footprint and achieve the goals of sustainable business operation and Earth conservation. The Company's medium and long term strategy involves effectively managing and achieving a balanced approach to environmental, social, and economic aspects, aligning with international standards through the implementation of the ISO 14001: Environmental Management Systems. This also serves as a crucial step towards achieving the Company's objectives in pursuing ESG sustainable development. The Company keeps abreast of the company's internal greenhouse gas emissions, and uses the inventory results to identify carbon emission sources and seek opportunities for internal carbon emission reduction.
3. Describe the financial impact of extreme weather events and transformative actions.	Global warming in recent years has led to significant climate change, resulting in extreme weather events around the globe. In the shipping industry, some canals may experience decreased water levels due to climate-induced drought, leading to increased international freight rates. Consequently, this raises operating costs for the Company, impacting financial expenditures. In response to the risks posed by climate change, the Company complies with the EU ROHS directive and global environmental trends, developing environmentally friendly lead-free copper products for plugs in various countries, and leading the way in obtaining VDE and BSI safety certifications. This positions the Company with significant advantages in the EU market, and is expected to make a substantial contribution to our future financial revenue.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	According to the possible risks caused by climate change, the Company incorporated them into the overall risk management system, and identified, evaluated and managed the transition risks and entity risks. In view of various risks, according to the degree of influence, possibility and coping ability on the company's operation, corresponding management actions are adopted, such as:

	introducing energy management system to improve energy efficiency and promote the use of renewable energy; Increase education, training and communication related to climate issues, and strengthen employees' risk awareness; Assess the impact of changes in laws and regulations on the company, and build coping strategies in advance to reduce operational risks; Assess the climate risk management capabilities of supply chain and upstream and downstream partners, and strengthen cooperation resilience; Regularly pay attention to the changes of new climate laws and policies, and adjust the internal response measures of the company according to the needs; Actively expose information on energy use and carbon emissions, and seek third-party verification to enhance information transparency and trust.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	To further assess the financial impact arising from climate-related risks, the Company referenced the "Climate Change Disaster Risk Adaptation Platform" and evaluated physical flooding risks under the RCP 8.5 warming scenario of 4°C and the RCP 6.0 warming scenario of 2°C. The assessment results indicated that the Company's headquarters is located in a medium-risk flood-prone area. Accordingly, the Company should closely monitor the potential impacts of climate change across various aspects of its operations, mitigate operational disruptions that may result from extreme weather events, and establish a resilient climate change management culture.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	To fulfill its commitment to achieving "Carbon Neutrality by 2045," the Company is actively promoting a dual-track transformation plan focused on green manufacturing and low-carbon products. Transformation Plan: The Company plans to introduce an internal carbon pricing mechanism in 2026 and establish a cross-functional IFRS sustainability disclosure task force in 2027. In addition, the Company will promote carbon reduction in manufacturing processes and mass-produce its "Eco-Friendly Ultra-Low-Lead Copper (GEM19-589)" products, with lead content below 1,000 ppm, in order to enter the supply chains for new energy vehicles and AI liquid-cooling thermal management systems. Metrics and Targets for Transition Risks: The Company monitors "Scope 1 and Scope 2 greenhouse gas emissions." External third-party assurance was obtained for 2024, and assurance procedures for 2025 are being carried out in the second quarter of 2026 according to schedule, in order to accurately track the Company's carbon emission trajectory. Metrics and Targets for Physical Risks: In response to drought and flooding risks caused by extreme climate events, the Company monitors "water resource management and heavy metal concentrations in discharged wastewater." In 2025, the Company launched a "Wastewater Discharge Treatment System Upgrade Project," establishing internal control limits for copper, zinc, lead, and nickel that are stricter than regulatory requirements, in order to ensure a 100% compliance rate in testing and maintain a safe workplace with "zero major occupational accidents and environmental violation incidents."
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company plans to introduce an internal carbon pricing mechanism in 2026. The carbon price will be determined with reference to the domestic carbon fee pricing framework, with the initial carbon price set at NT\$300 per ton. The Company also plans to integrate this mechanism into its corporate decision-making and investment evaluation processes in order to assess the impact of carbon emissions on business operations and accelerate the implementation of carbon reduction measures. In addition, the Company will organize two educational training sessions to help relevant departments understand the concepts and application methods of internal carbon pricing, thereby assisting each plant in promptly implementing and adopting the mechanism. The

	Company also plans to hold a general carbon-related educational course open to all employees to enhance overall carbon reduction awareness and achieve the goal of sustainable corporate operations.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Phased Timeline and Annual Progress Achievement: Routine Inventory and Assurance: All locations within the Group have established routine greenhouse gas inventory mechanisms in accordance with ISO 14064-1 standards. The 2024 greenhouse gas inventory has fully passed assurance verification conducted by the external third-party certification body TÜV SÜD. The greenhouse gas inventory and third-party assurance procedures for 2025 are also being carried out according to schedule in the second quarter of 2026. Key Carbon Reduction Mechanism Initiatives: The Company plans to officially introduce an internal carbon pricing mechanism in 2026. Through economic incentives, the Company aims to drive process energy-saving improvements across various plants and gradually reduce Scope 1 and Scope 2 carbon emissions. In 2025, through resource recycling initiatives, the Group successfully reduced its total waste volume by 78% compared with the previous year, thereby indirectly reducing the potential Scope 3 impacts associated with waste treatment. Optimization of Product Carbon Footprint: Through process optimization, the Company successfully achieved mass production of its “Eco-Friendly Ultra-Low-Lead Copper (GEM19-589)” alloy copper products with lead content below 1,000 ppm, thereby implementing low-carbon transformation objectives directly at the product source. During 2025, all carbon reduction measures adopted by the Company were internally implemented reduction initiatives, and the Company did not purchase or utilize external carbon offsets or Renewable Energy Certificates (RECs).
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	Please refer to the detailed explanation below.

Greenhouse Gas Inventory Information for 2025

- (1) The organizational greenhouse gas inventory for 2025 was conducted under the guidance of the Industrial Technology Research Institute for verification operations at the Taiwan plant sites. In addition, the Company engaged the external verification body TÜV SÜD to carry out third-party verification, which is expected to be completed by September 2026.
- (2) The disclosure of inventory information for Scope 1, Scope 2, Scope 3, and Scope 4 in the Taiwan plant in 2025 is shown in the following table:

	Scope 1				Scope 2	Scope 3	Scope 4	Biomass emission equivalent	Total emission volume
	Fixed	Production	Mobile	Fugitive	Indirect energy emissions	Indirect emissions from transportation	Indirect upstream emissions		
Emission equivalent (tCO ₂ e/year)	78.2093				1993.8412	4338.8313	-	-	6410.882
Emission percentage (%)	1.22%				31.10%	67.68%	-	-	100.00%
	3.4773	0.0577	19.2555	55.4188					
	0.05%	0.00%	0.30%	0.86%					

(7) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		1. The Company established the “Ethical Corporate Management Best Practice Principles,” the various department practice policies on conducting corporate ethics according to their duties and responsibilities, supervised by the Audit Office and reported to the Board of Directors. 2. The Company established the “Codes of Ethical Conduct for Directors and Managers,” regulating that Directors and Managers shall pursue the overall interest of the Company as the primary goal when exercising their duties, shall not damage the rights of the Company for any person or group in particular, and shall fairly treat all shareholders when exercising duties. The Director and Manager shall meet the duty of care as a good administrator when exercising duties, emphasizing honesty, integrity, and fairness principles, upholding high self-discipline, and abiding by laws and regulations, the Articles of Incorporation of the Company, and resolutions of the shareholders’ meeting. The Company has also established a “Code of Ethical Conduct for Practitioners below Managers,” guiding the employees of the Company to conduct according to ethical standards, preventing illegal, out-of-order behavior, and enabling the stakeholders of the Company better to understand the code of ethical conduct for the Company.	None
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		1 The Company established the “Ethical Corporate Management Best Practice Principles,” establishing a risk assessment mechanism against unethical conduct, analyzing and assessing business activities within the business scope that are at a higher risk of being involved in unethical conduct, and establishing prevention programs accordingly and review their adequacy and effectiveness regularly. 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. 2. The Company established the “Ethical Corporate Management Best Practice Principles,” regulating directors and managers when engaging in commercial activities, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts, including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. 3. The Company established the “Code of Ethical Conduct for Practitioners below Managers,” guiding the Royees of the Company to conduct according to ethical standards through the internal audit mechanism, preventing dishonest business activities, offering and acceptance of bribes, and illegal political donations from happening. 4. To implement the code of ethics and integrity of the business, the Company establishes “Management Regulations for Reporting Cases of Illegal, Immoral, or Dishonest Behavior” to ensure sustainable development of the Company business, encouraging reports of any illegal or behavior against the Codes of Ethical Conduct or Ethical Corporate Management Best Practice Principles	None
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		1. The Company has also established a “Code of Ethical Conduct for Practitioners below Managers,” guiding the employees of the Company to conduct according to ethical standards, preventing illegal, out-of-order behavior. 2. Every employee of the Company has a Work Rules Handbook, given at the time of employment and trained on the contents in the new-employee education training. The Work Rules Handbook states all employees must obey all Codes of Ethical Conduct and the rewards and punishment for breaking the Code.	None

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
2. Ethical Management Practice	V		3. To implement the code of ethics and integrity of the business, the Company establishes “Management Regulations for Reporting Cases of Illegal, Immoral, or Dishonest Behavior” and “Ethical Corporate Management Best Practice Principles” to ensure sustainable development of the Company business, encouraging reports of any illegal or behavior against the Codes of Ethical Conduct or Ethical Corporate Management Best Practice Principles	None
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		The Company has established an assessment mechanism for all its customers and suppliers; when signing a contract, the rights and obligations of both parties are recorded in detail of the contract; important contracts are signed after the contract has been reviewed and approved of the legal consultant or accountant of the Company.	None
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?		V	The company has not set up a unit dedicated to managing and promoting corporate integrity. Each department implements the corporate integrity management policy according to its duties and responsibilities; implementation status is supervised by the Audit Office and reported to the Board of Directors.	The Company plans to set up a unit dedicated to Corporate Integrity in the future.
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		1. Every employee of the Company has a Work Rules Handbook, given at the time of employment and trained on the contents in the new-employee education training. The Work Rules Handbook states all employees must obey all Codes of Ethical Conduct and the rewards and punishment for breaking the Code. 2. Each employee of the Company has an e-mail, and a stakeholder communication channel is established on the Company website there is a suggestion box in the Security Room. The employees' opinions can be directly communicated to the management, and can be also reported to the Audit Committee.	None.
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		The company has established accounting system, internal control system and internal audit implementation regulations. Auditors will draw up an audit plan based on risk assessment every year and implement the audit work according to the plan. When there are suggestions, the audit unit shall propose an improvement plan after receiving the audit report. Auditors will create an "Internal Audit Problem Correction and Improvement Tracking Table" every month to track the improvement of the last suggestion.	None
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		The company keeps track of corporate governance-related course information, notifies directors and relevant managers to participate in a timely manner, and encourages employees to participate in corporate social responsibility and integrity management related issues of internal and external education training, regularly holds yearly employee technical assessments, and propaganda in meetings to implement the Ethical Corporate Management Best Practice Principles.	None

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
3. Implementation of Complaint Procedures				
(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	V		The Company has established "Management Regulations for Reporting Cases of Illegal, Immoral, or Dishonest Behavior", specifically establishing reporting and reward systems, and building channels to facilitate reporting, and assign appropriate special personnel to accept reports according to the reporttee.	None
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		The Company has established "Management Regulations for Reporting Cases of Illegal, Immoral, or Dishonest Behavior", formulating investigation standard operating procedures for accepting reported matters, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms.	None
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		The Company has established "Management Regulations for Reporting Cases of Illegal, Immoral, or Dishonest Behavior", with measures to protect whistleblowers from being improperly dealt with due to reporting.	None
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company has a website, disclosing information on Company products, basic information and financial information, also disclosing the information of the Company on MOPS in an immediate, public and transparent conduct. Also, establishing and disclosing "Ethical Corporate Management Best Practice Principles", "Management Regulations for Reporting Cases of Illegal, Immoral, or Dishonest Behavior" to specifically promote management integrity.	None
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: None.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles):				
1. The Company established the "Ethical Corporate Management Best Practice Principles", regulating (1) The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management (2) Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved. (6) When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts. 2. The Company abides with the Company Act, Securities and Exchange Act, TWSE/TPEX Listed Companies and related laws and regulation as the basis grounds for implementing Ethical Corporate Management. 3. The Regulations of the Meetings of the Board of Directors stipulates the avoidance of conflict of interest for directors, A director who has a personal interest in the matter under discussion at a board meeting shall explain to the board meeting the essential contents of such personal interest. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter. If there are concerns of damaging the interest of the Company, shall not join in and shall recusal from discussion or vote of the proposal, and shall not act as proxy for other directors. 4. The company has established "Procedures for Processing Internal Material Information, " clearly stipulating the Directors, Managers, and Employees of the Company duties and notices of a good administrator. Under the code of ethics, when exercising duties, the Directors, Manager, and Employees shall not inquire or collect undisclosed material internal information not related to personal duties from personnel with knowledge of material information of the Company and shall not disclose the company's undisclosed material internal information obtained other than related to duty to other people.				

(8) Other important information to facilitate a better understanding of the status of operation of the company:

Please refer to the Company Website: <https://www.gem.com.tw/> and Market Observation Post System (MOPS) <https://mops.twse.com.tw/mops/#/web/home>

(9) The implementation status of the internal control system should disclose the following matters:

1. Internal Control Statement.

Internal Control System Statement of Publicly Traded Company Declaration
that the design and implementation are effective

(This statement applies when all laws and regulations are declared to be followed.)

GEM Terminal Ind. Co., Ltd.

Internal Control System Statement of Publicly Traded Company Declaration

Date: March 10, 2026

We hereby declare the following regarding the internal control system of the company for the year 2025, based on the results of our self-assessment:

1. The company recognizes that the establishment, implementation, and maintenance of an internal control system is the responsibility of the board of directors and management, and we have already established such a system. Its purpose is to provide reasonable assurance in achieving the objectives of operational effectiveness and efficiency (including profitability, performance, and asset security), the reliability, timeliness, and transparency of financial reporting, as well as compliance with relevant laws and regulations.
2. The effectiveness of internal control systems is inherently limited, and regardless of how well-designed they may be, they can only provide reasonable assurance in achieving the aforementioned objectives. Additionally, due to changes in the environment and circumstances, the effectiveness of internal control systems may change. However, our company's internal control system has a mechanism for self-monitoring, and we will take corrective action if any deficiencies are identified.
3. The company evaluated the effectiveness of our internal control system based on the judgment criteria outlined in the "Handling Guidelines for Publicly Traded Companies to Establish Internal Control Systems" (hereinafter referred to as the "Guidelines"). The Guidelines use five components to divide internal control systems: (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) monitoring. Each component includes several items. Please refer to the Guidelines for more information.
4. The company used the aforementioned judgment criteria to assess the effectiveness of our internal control system's design and implementation.
5. Based on the results of the aforementioned assessment, the Company considered that our internal control system, including the supervision and management of subsidiaries, as of December 31, 2025, regarding the design and implementation of internal control systems related to objectives such as understanding the degree of achieving operational effectiveness and efficiency, the reliability, timeliness, and transparency of financial reporting, as well as compliance with relevant laws and regulations, is effective and can reasonably ensure the achievement of the aforementioned objectives.
6. This statement will become the main content of our annual report and public disclosure, and will be made public. If any unlawful matters such as falsehoods or concealment are found in the public disclosure, we will be liable under legal provisions such as Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. This statement was approved by the board of directors on March 10, 2026. Of the seven directors present, none opposed, and all agreed with the contents of this statement.

GEM Terminal Ind. Co., Ltd.

Chairman: Su, Tun-Li's signature

General Manager: Ho, Yi-Lin's signature

2. If the internal control system is reviewed by a commissioned accountant, the accountant's review report should be disclosed: None.

(10) Important resolutions of the shareholders' meeting and board of directors In the past year and as of the date of publication of the annual report

(10.1) The content and implementation status of important resolutions of the 2025 annual shareholders' meeting.

Date of the meeting	Matters for Ratification and Matters for Discussion	Implementation Status
2025.06.25	Ratification 1: The 2024 operating report and financial statements of the Company are submitted for ratification.	The 2024 operating report and financial statements have been announced and reported in accordance with relevant laws and regulations.
	Ratification 2: The proposal for offsetting Company's losses in 2024 is submitted for ratification.	The case was approved by the vote according to the original proposal.
	Discussion items: 1. Amendment to the Company's articles of association, to be submitted for a public vote.	As of August 25, 2025, it has been approved for change registration by the Ministry of Economic Affairs under commercial letter No. 11430109360.

(10.2) Important resolutions of the board of directors in the past year and as of the date of publication of the annual report

Date Resolution Unit.	Cause Of Action	Resolution Result	Matters listed in Article 14-3 of the Securities and Exchange Act.	Independent directors holding opposing or reservation opinions	Company's handling of independent directors' opinions
March 11, 2025 The 12th Session, 7th Meeting	1. The Company's Business Report, Individual Financial Statements, and Consolidated Financial Statements for the Year 2024 have been completed, and are hereby submitted for review.	This case was passed by the original proposal.		None	None
	2. The proposal for the 2024 deficit compensation plan, along with the completed corresponding statement, is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	3. The proposal to discuss and amend the Company's Articles of Incorporation is proposed for resolution and will be subsequently presented to the shareholders' meeting for approval.	This case was passed by the original proposal.	V	None	None
	4. The evaluation of the independence and competence of the Company's Certified Public Accountant is proposed for resolution.	The agenda item regarding the evaluation of the independence and competence of the appointed CPAs from Deloitte Taiwan relates to their own interest, so the guest attendee, Chia, Xin-Ying, Manager at Deloitte Taiwan, recused herself in accordance with the law. This case was passed by the original proposal.	V	None	None
	5. The appointment of Deloitte Taiwan to review and audit the Company's financial statements for fiscal year 2025 and 2026, with an annual fee of NT\$5.15 million, is proposed for resolution.	The agenda item regarding the appointment of Deloitte Taiwan, along with the signing of the annual fee contract, relates to their own interest, so the guest attendee, Chia, Xin-Ying, Manager at Deloitte Taiwan, recused herself in accordance with the law. This case was passed by the original proposal.	V	None	None
	6. The Company has completed the self-inspection of the internal control system for the year 2024, and the results is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	7. The proposal to revise the Company's Corporate Social Responsibility Best Practice Principles and to rename them as the Sustainable Development Best Practice Principles, in order to comply with regulatory amendments and operational needs, is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	8. The proposal to revise the Company's Audit Committee Charter, in order to comply with regulatory amendments and operational needs, is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	9. The Company's Formulation of Sustainable Development Action Plan, formulated to strengthen the management of sustainable development, has been finalized and is hereby submitted for resolution, and will subsequently be presented at the shareholders' meeting.	This case was passed by the original proposal.		None	None
	10. The proposal for the date, time, and venue of the 2025 Shareholders' Meeting is hereby	This case was passed by the original proposal.		None	None

Date Resolution Unit.	Cause Of Action	Resolution Result	Matters listed in Article 14-3 of the Securities and Exchange Act.	Independent directors holding opposing or reservation opinions	Company's handling of independent directors' opinions
	submitted for resolution.				
	11. The proposal regarding the acceptance of shareholder proposals rights relating affairs for the 2025 Shareholders' Meeting is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	12. The proposal to transfer and promote Lin, Yu-Min, current Manager of Plant Management Department, to the position of Assistant Vice President of R&D Division is hereby submitted for discussion.	This case was passed by the original proposal.		None	None
	13. The proposal to promote Chen, Chin Hsien, current Manager of Quality Control Department, to the position of Assistant Vice President of Plant Management Department is hereby submitted for discussion.	This case was passed by the original proposal.		None	None
	14. The proposal to appoint Hung Chu Hung as Manager of Quality Control Department is hereby submitted for discussion.	This case was passed by the original proposal.		None	None
	15. The proposal for the Company to issue Letter of Support affirming shareholding and operational support for sub-subsidiary, Vietnam GEM Electronic and Metal Co., Ltd., in connection with the latter's application for credit line from First Commercial Bank, is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	16. The proposal for the Company's application for credit lines from various banks is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
May 12, 2025 The 12th Session, 8th Meeting	1. The Company's consolidated financial report for the first quarter of 2025 has been completed and is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	2. To establish the scope of the Company's entry-level employees, and submit the same for resolution.	This case was passed by the original proposal.		None	None
	3. In order to meet the Company's actual operational needs, certain provisions of the Company's "Internal Control System" and "Detailed Rules for Internal Audit Implementation" have been amended. The proposal is hereby submitted for resolution.	This case was passed by the original proposal.	v	None	None
	4. The Company proposes to apply for credit facilities from various banks. The proposal is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
August 12, 2025 The 12th Session, 9th Meeting	1. The Company's consolidated financial report for the second quarter of 2025 has been completed and is hereby submitted for resolution	This case was passed by the original proposal.		None	None
	2. To discuss the transfer of shares repurchased under the Company's third treasury stock buyback program to employees.	As this proposal concerned the transfer of treasury shares to employees, and Director Su, Hsing-Hsien also held employee status, thereby involving his own interests, Director Su, Hsing-Hsien recused himself from the discussion and voting in accordance with the law. Except for Director Su, Hsing-Hsien, who recused himself in accordance with the law due to a conflict of interest, the proposal	v	None	None

Date Resolution Unit.	Cause Of Action	Resolution Result	Matters listed in Article 14-3 of the Securities and Exchange Act.	Independent directors holding opposing or reservation opinions	Company's handling of independent directors' opinions
		was approved as originally proposed.			
	3. To discuss the transfer of shares repurchased under the Company's fourth treasury stock buyback program to employees.	As this proposal concerned the transfer of treasury shares to employees, and Director Su, Hsing-Hsien also held employee status, thereby involving his own interests, Director Su, Hsing-Hsien recused himself from the discussion and voting in accordance with the law. Except for Director Su, Hsing-Hsien, who recused himself in accordance with the law due to a conflict of interest, the proposal was approved as originally proposed.	v	None	None
	4. The Company's 2024 Sustainability Report, prepared in accordance with applicable laws and regulations, has been completed and is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	5. The Company proposes to apply for credit facilities from various banks. The proposal is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
November 11, 2025 The 12th Session, 10th Meeting	1. The Company's consolidated financial report for the third quarter of 2025 has been completed and is hereby submitted for discussion.	This case was passed by the original proposal.		None	None
	2. The Company's "2026 Business Plan" has been completed and is hereby submitted for discussion.	This case was passed by the original proposal.		None	None
	3. The Company's "2026 Internal Audit Plan" has been completed and is hereby submitted for discussion.	This case was passed by the original proposal.	v	None	None
	4. The Company proposes to appoint R&D consultants and management consultants in order to enhance research and development technologies and optimize management practices. The proposal is hereby submitted for discussion.	As this proposal concerned the appointment of Su, Tun-Yi as the Company's professional R&D consultant and the appointment of Su, Hung-Yueh-Chi as the Chairman's Secretary, which involved the interests of the spouse and second-degree relatives of Chairman Su, Tun-Li and Vice Chairman Su, Chung-Hong, Chairman Su, Tun-Li and Vice Chairman Su, Chung-Hong recused themselves from the discussion and voting in accordance with the law. Except for Chairman Su, Tun-Li and Vice Chairman Su, Chung-Hong, who recused themselves in accordance with the law due to matters involving the interests of their spouses and second-degree relatives, the proposal was approved as originally proposed.	v	None	None
	5. The execution status of the Company's third and fourth treasury stock buyback programs for transfer to employees is hereby submitted for discussion.	As this proposal concerned the employee list for the distribution of treasury shares, which involved the interests of the second-degree relatives of Chairman Su, Tun-Li, Chairman Su, Tun-Li recused himself from the discussion and voting in accordance with the law. Except for Chairman Su, Tun-Li, who recused himself in accordance with the law due to matters involving the interests of his spouse and second-degree	v	None	None

Date Resolution Unit.	Cause Of Action	Resolution Result	Matters listed in Article 14-3 of the Securities and Exchange Act.	Independent directors holding opposing or reservation opinions	Company's handling of independent directors' opinions
		relatives, the proposal was approved as originally proposed.			
	6. It is proposed that Associate Vice President Chen, Chin-Hsien of the Plant Affairs Department be reassigned and promoted to the position of Group Vice President, serving as Executive Vice President of Suzhou GEM Photon Terminal Co., Ltd. and Dongguan GEM Electronic Hardware Co., Ltd., while concurrently serving as General Manager of Suzhou GEM Photon Terminal Co., Ltd. The proposal is hereby submitted for discussion.	This case was passed by the original proposal.		None	None
	7. It is proposed that Deputy Manager Teng, Meng-Huan of the Finance Department be promoted to Finance Manager of the Finance Department. The proposal is hereby submitted for discussion.	As this proposal concerned the promotion of Deputy Manager Teng, Meng-Huan of the Finance Department, which involved his own interests, the recording officer, Teng, Meng-Huan, recused himself from the discussion and voting in accordance with the law. The proposal was approved as originally proposed.	v	None	None
	8. It is proposed that Deputy Manager Yang, Pei-Hsin of the Finance Department be promoted to Accounting Manager of the Finance Department. The proposal is hereby submitted for discussion.	This case was passed by the original proposal.	v	None	None
	9. The Company's subsidiaries propose to apply for credit facilities from various banks, and the Company intends to issue Letters of Support to express its support for the shareholding and operations of the respective subsidiaries. The proposal is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	10. The Company proposes to apply for credit facilities from various banks. The proposal is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
December 30, 2025 The 12th Session, 11th Meeting	1. The Company's first revised consolidated financial forecast for 2025 has been completed and is hereby submitted for discussion.	This case was passed by the original proposal.		None	None
	2. The Company's consolidated financial forecast for 2026 has been completed and is hereby submitted for discussion.	This case was passed by the original proposal.		None	None
	3. In response to the Company's internal organizational adjustments, it is proposed that Finance Manager Teng, Meng-Huan of the Finance Department concurrently serve as the Company's Corporate Governance Officer. The proposal is hereby submitted for discussion.	As this proposal concerned the appointment of Finance Manager Teng, Meng-Huan of the Finance Department to concurrently serve as the Company's Corporate Governance Officer, which involved his own interests, the recording officer, Teng, Meng-Huan, recused himself from the discussion and voting in accordance with the law. The proposal was approved as originally proposed.		None	None
	4. The Company proposes to apply for credit facilities from various banks. The proposal is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
March 10, 2026 The 12th Session, 11th Meeting	1. The Company's 2025 Business Report, parent company only financial statements, and consolidated financial statements have been completed and are	This case was passed by the original proposal.		None	None

Date Resolution Unit.	Cause Of Action	Resolution Result	Matters listed in Article 14-3 of the Securities and Exchange Act.	Independent directors holding opposing or reservation opinions	Company's handling of independent directors' opinions
	hereby submitted for resolution.				
	2. The proposed 2025 loss compensation plan and the statement of loss compensation have been completed and are hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	3. To evaluate the independence and competence of the Company's certified public accountants, and submit the same for resolution.	As this proposal concerned the discussion of the independence and competence of the accountants of Deloitte Taiwan, which involved their own interests, CPA Wu, Chiu-Yen, who was present at the meeting, recused herself from the discussion and voting in accordance with the law. This case was passed by the original proposal.	V	None	None
	4. The Company has completed the self-assessment of its 2025 Internal Control System, and the proposal is hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	5. In order to strengthen the management of sustainable development, the Company has formulated specific sustainable development promotion plans. The proposal is hereby submitted for resolution and will also be reported at the Annual Shareholders' Meeting.	This case was passed by the original proposal.		None	None
	6. To determine the time and venue of the Company's 2026 Annual Shareholders' Meeting, and submit the same for resolution.	This case was passed by the original proposal.		None	None
	7. Matters relating to the acceptance of shareholders' proposals for the Company's 2026 Annual Shareholders' Meeting are hereby submitted for resolution.	This case was passed by the original proposal.		None	None
	8. The Company proposes to apply for credit facilities from various financial institutions. The proposal is hereby submitted for resolution.	This case was passed by the original proposal.		None	None

(11) In the past year and as of the date of publication of the annual report, if a director or independent director has a different opinion on important resolutions passed by the board of directors and has a record or written statement, the main content is: None.

4. Information on CPA (External Auditor) Professional Fees

A. The Company shall disclose the audit fee, non-audit fee, and the content of non-audit service of the certified public and the accounting firm and related corporations:

Audit Fee of CPA

Unit : NT\$ thousands

Name of Accounting Firm	Name of CPAs	Period Covered by CPA's Audit	Audit Fees	Non-Audit Fees	Total	Remarks
Deloitte Taiwan	Wu, Chiu-Yen	2025	4,580	1,035	5,615	-
	Chang, Tzu-Yuan					

Note: The aforementioned non-audit service fees include NT\$250 thousand for the audit and certification

of profit-seeking enterprise income tax filings, NT\$320 thousand for reimbursable expenses and full-time employee inspection schedules, NT\$50 thousand for the audit and certification of business tax filings under the direct deduction method, NT\$120 thousand for the Master File report, and NT\$295 thousand for the transfer pricing report.

- B. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: The Company has not changed the Accounting Firm.
- C. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: Not Applicable.

5. Information of Replacement of CPAs

If the Company has changes CPAs in the past two years, durations before or after

A. Regarding the former certified public accountant

Date of Replacement	Approved by the Board of Directions on March 12, 2024		
Reason for replacement and explanation	In accordance with the internal rotation mechanism of Deloitte, starting from the first quarter of 2024, the certified public accountant will be changed from Accountants Chiang, Chia-Ling and Wu, Chiu-Yen to Accountants Wu, Chiu-Yen and Chang, Tzu-Yuan.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Parties	CPAs	The Company
	Circumstances		
	Terminated the engagement	Not Applicable	Not Applicable
	No longer accepted (discontinued) the engagement	Not Applicable	Not Applicable
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons.	None		
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other
	No	✓	
	Specify details: None		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None		

B. Regarding the successor certified public accountant

Name of accounting firm	Deloitte Taiwan
Names of CPAs	Wu, Chiu-Yen, Chang, Tzu-Yuan.
Date of engagement	Approved by the Board of Directions on March 12, 2024
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	None
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	None.

C. The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations. : Not Applicable.

6. The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during the past year: None.
7. In the past year and as of the date of publication of the annual report, changes in the transfer and pledge of equity by directors, managers, and shareholders who hold more than 10% of the shares.
- (1) Changes in the transfer and pledge of equity by directors, managers, and major shareholders who hold more than 10% of the shares.

Title (Note 1)	Name	2025		In the past year and as of April 30, 2026	
		Shareholding Increase/(Decrease)	Pledged share Increase/(Decrease)	Shareholding Increase/(Decrease)	Pledged share Increase/(Decrease)
Chairman	Su, Tun-Li Representative of Cheng-Feng Investment Co., Ltd.	—	—	—	—
Vice Chairman	Su, Chung-Hong Representative of You-Feng Investment Co., Ltd.	—	—	—	—
Director	Su, Hsing-Hsien Representative of Tsung-Fu Investment Co., Ltd.	—	—	(976,423)	—
Major Shareholder	Su, Po-Chen Representative of Ting-Yao Investment Co., Ltd.	—	—	(1,230,000)	—
Director	Guu, Herng Chang	10,000		—	

Independent Director	Yang, Chen-Yang				
Independent Director	Wu, Yun Rou (Note 3)	—	—	—	—
General Manager	Ho, Yi-Lin	825,300	—	—	—
Deputy General Manager	Lin Chou, Chin-Hsiu (Note3)	174,700	—	—	—
Deputy General Manager	Chen, Li-Yi	201,300	—	—	—
Deputy General Manager	Lin, Yu Min (Note 4)	100,000	—	(28,000)	—
Deputy General Manager	Hung, Chu Hung (Note 4)	23,400		-	
Executive Director	Chen, Chin-Hsien (Note 4)	50,000		-	
Manager	Tsai, Ming-Che	100,000	—	(13,000)	—
Manager	Chen, Cheng-Hao	101,000	—	(50,000)	—
Manager	Wu, Feng Yin	70,000	—	(31,000)	—
Manager	Liu, Zhi Cheng (Note 5)	11,000	—	—	—
Manager	Teng, Meng-Huan (Note 6)	—	—	—	—
Manager	Yang, Pei-Hsin (Note 6)	—	—	2,000	—
Manager	Wu, Liang-Cheng (Note 7)	—	-	-	-

Note 1: Shareholders holding more than 10% of the Company's total outstanding shares shall be identified as major shareholders and separately disclosed.

Note 2: If the counterparty to a share transfer or share pledge is a related party, information regarding the share transfer shall also be disclosed.

Note 3: Vice President Chou, Chin-Hsiu was dismissed from office on April 21, 2026.

Note 4: On May 13, 2026, Assistant Vice President of Plant Affairs Chen, Chin-Hsien was reassigned as Executive Director; Assistant Vice President of the R&D Department Lin, Yu-Min was reassigned as Vice President; and Quality Assurance Department Manager Hung, Chu-Hung was reassigned as Vice President.

Note 5: Manager Liu, Chih-Cheng was dismissed from office on March 20, 2026.

Note 6: On November 11, 2025, Finance Manager Teng, Meng-Huan and Accounting Manager Yang, Pei-Hsin assumed office.

Note 7: Wu, Liang-Cheng assumed office on May 13, 2026.

(2) Information on equity transfer:

Information on equity transfer by related parties of directors, supervisors, managers, and major shareholders holding more than 10% of the shares: none

(3) Information on Pledged share:

Information on pledged share by related parties of directors, supervisors, managers, and major shareholders holding more than 10% of the shares: None.

8.(1) Information on the relationships between the top ten shareholders in terms of shareholding percentages.

As of April 25th, 2026

Name (Note 1)	Own shareholding		Shareholdings of the spouse and minor children		Shareholding in other people's names		If There Are Any Related Parties Or Relatives Within The Second-Degree Of Kinship Between The Top Ten Shareholders, Including Spouses, Their Headings Or Names Or And Relationships Shall Be Disclosed. (Note 3)		Note
	Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %	Heading or name	Relationship	
Cheng-Feng Investment Co., Ltd.	20,278,409	11.98	—	—	—	—		None	—
Representative of Cheng-Feng Investment Co., Ltd.: Su, Tun-Li	27,285	0.02	617,695	0.37	—	—	Su, Chung-Hong	Brother	—
You-Feng Investment Co., Ltd.	13,983,236	8.26	—	—	—	—		None	—
You-Feng Investment Co., Ltd. Representative: Su, Chung-Hong	231,030	0.14	—	—	—	—	Su, Tun-Li	Brother	—
Tsung-Fu Investment Co., Ltd.	28,367,914	16.77	—	—	—	—		None	—
Tsung-Fu Investment Co., Ltd Representative.: Su, Hsing-Hsien	0	—	—	—	—	—		None	—
Ting-Yao Investment Co., Ltd	23,357,792	13.80	—	—	—	—		None	—
Li, Chung Lin	3,890,000	2.30	—	—	—	—		None	—
Chen, Wen-Kuang	2,987,000	1.77	—	—				None	
Su, Pang Chia	1,830,000	1.08	—	—	—	—		None	—
Liao, Pen Hsi	1,590,000	0.94	—	—	—	—		None	—
Ho, Yi-Lin	1,016,315	0.60	15,277	0.01				None	
Lo, Jui Lung	830,000	0.49	—	—	—	—		None	—

Note 1: Shareholders' names should be listed separately (if the shareholder is a legal person, the name of the legal person and its representative should be listed separately).

Note 2: The calculation of shareholding ratio is based on the calculation of shareholding percentage under one's own name, spouse, minor children, or using other people's names.

Note 3: The disclosure of the relationship between the shareholders listed above, including legal persons and natural persons, shall be made in accordance with the disclosure requirements of the financial reporting standards of the issuer.

Main shareholder is a corporation and its major shareholders

Main shareholder is a corporation and its major shareholder.	Major shareholder(s) of the corporate shareholder.
Cheng-Feng Investment Co., Ltd.	Su, Che-Ming (24.19%) ,Su, Tun-Li, (14.23%) ,Su Hung, Yueh-Chi (13.20%) ,Su, Li-Wen (24.19%) ,Su, Sheng-Mao (24.19%)
You-Feng Investment Co., Ltd.	Su, Chong-Hong, (36.88%) ,Su, Yu-Ting (31.56%) ,Su, Yu-Hsiang (31.56%)
Tsung-Fu Investment Co., Ltd.	Su, Heng-Hui (29.56%), Tsou, Hsiu-Ming (20.97%), Su, Hsing-Hsien (29.56%), Su, Chun-I (4.25%), Su, Hsin-Ning (15.66%)
Ting-Yao Investment Co., Ltd.	Su, Po-Chen (25.96%), Su, Tun-Yi (37.27%), Wang, Tzu-Jung (34.67%), Su, Yu-Hsuan (0.7%), Su, Nai-Chi (0.7%), Su, Yun-Ching (0.7%)

9. The total number of shares and total equity stake held in any single enterprise by the company, its directors, managerial officers, and any companies controlled either directly or indirectly by the company.

Unit: share %

Investees(Note)	The Company's investment		Direct or Indirect investment by Directors/Supervisors/Managers		Total investment	
	shareholding	shareholding%	shareholding	shareholding%	shareholding	shareholding%
GENIUS TERMINAL CO., LTD.	0	100%	—	—	0	100%
Global Electronics Terminal (Cayman) Co., LTD.	40,137,184	100%	—	—	40,137,184	100%
GEM Terminal (Cayman) C LTD.	18,598,333	100%	—	—	18,598,333	100%

Note: The company adopts investment adjustments for Using Equity Method

III.Funding

1. Capital and shareholding

(1). Source of Share Capital

A.formation of share capital

April 25, 2026

YY/MM	Par Value(NT\$)	Approved Capital		Paid-in Capital		note		
		Number Of Shares	Amount	Number Of Shares	Amount	Source of Share Capital	Capital Increased by Assets Other than Cash	Others
Jul 1993	10	2,520,000	25,200,000	2,520,000	25,200,000	Establishment with cash	none	none
Oct 1995	10	17,648,820	176,488,200	17,648,820	176,488,200	Cash 137,340,000	none	none
						Earning 13,948,200		
						Total 151,288,200		
Jul 1996	10	21,178,584	211,785,840	21,178,584	211,785,840	Earning 35,297,640(note 1)	none	none
Jul 1997	10	30,000,000	300,000,000	25,025,000	250,250,000	Cash 29,992,700	none	none
						Earning 4,659,290		
						Reserve 3,812,170		
						Total 38,464,160(note 2)		
Sep 1998	10	30,000,000	300,000,000	30,000,000	300,000,000	Cash 10,210,500	none	none
						Earning 12,512,500		
						Reserve 27,027,000		
						Total 49,750,000(note 3)		
Nov 1999	10	34,500,000	345,000,000	34,500,000	345,000,000	Earning 15,000,000	none	none
						Reserve 30,000,000		
						Total 45,000,000(note 4)		
Aug 2000	10	65,000,000	650,000,000	39,819,000	398,190,000	Employee bonus 1,440,000	none	none
						Earning 34,500,000		
						Reserve 17,250,000		
						Total 53,190,000(note 5)		
Nov 2000	10	65,000,000	650,000,000	43,819,000	438,190,000	Cash 40,000,000	none	none
						Total 40,000,000 (note 6)		
Sep 2001	10	65,000,000	650,000,000	52,811,024	528,110,240	Employee bonus 2,282,240	none	none
						Earning 50,391,850		
						Reserve 37,246,150		
						Total 89,920,240(note 7)		
Sep 2002	10	95,000,000	950,000,000	60,098,000	600,980,000	Employee bonus 1,574,870	none	none
						Earning 35,911,500		
						Reserve 35,383,390		
						Total 72,869,760(note 8)		
Jul 2003	10	95,000,000	950,000,000	70,200,000	702,000,000	Employee bonus 4,863,200	none	none
						Earning 96,156,800		
						Total 101,020,000(note 9)		
Jul 2004	10	145,600,000	1,456,000,000	85,000,000	850,000,000	Employee bonus 7,600,000	none	none
						Earning 140,400,000		
						Total 148,000,000(note 10)		
Oct 2004	10	145,600,000	1,456,000,000	86,788,293	867,882,930	Convertible bonds for capital increase 17,882,930(note 11)	none	none
Jan 2005	10	145,600,000	1,456,000,000	86,935,157	869,351,570	Convertible bonds for capital increase 1,468,640(note 12)	none	none
Apr 2005	10	145,600,000	1,456,000,000	86,939,476	869,394,760	Convertible bonds for capital increase 43,190(note 13)	none	none
Jun 2005	10	145,600,000	1,456,000,000	96,392,992	963,929,920	Employee bonus 7,600,000	none	none
						Earning 86,935,160		
						Total 94,535,160(note 14)		
Jun 2006	10	145,600,000	1,456,000,000	108,100,000	1,081,000,000	Employee bonus 5,254,200	none	none
						Earning 111,815,880		

YY/MM	Par Value(NT\$)	Approved Capital		Paid-in Capital		note		
		Number Of Shares	Amount	Number Of Shares	Amount	Source of Share Capital	Capital Increased by Assets Other than Cash	Others
						Total 117,070,080(note 15)		
Nov 2006	10	145,600,000	1,456,000,000	110,882,779	1,108,827,790	Convertible bonds for capital increase 27,827,790	none	none
						Total 27,827,790(note 16)		
Jul 2007	10	221,000,000	2,210,000,000	118,695,279	1,186,952,790	Cash 78,125,000	none	none
						Total 78,125,000(note 17)		
Aug 2007	10	221,000,000	2,210,000,000	142,315,000	1,423,150,000	Employee bonus 14,431,650	none	none
						Earning 221,765,560		
						Total 236,197,210(note 18)		
Sep 2008	10	221,000,000	2,210,000,000	168,000,000	1,680,000,000	Employee bonus 14,914,500	none	none
						Earning 241,935,500		
						Total 256,850,000(note 19)		
Apr 2009	10	221,000,000	2,210,000,000	166,600,000	1,666,000,000	Cancellation of treasury stocks for capital reduction 14,000,000(note 20)	none	none
Sep 2009	10	221,000,000	2,210,000,000	171,598,000	1,715,980,000	Earning 49,980,000(note 21)	none	none
Dec 2015	10	221,000,000	2,210,000,000	169,200,000	1,692,000,000	Cancellation of treasury stocks for capital reduction 23,980,000(note 22)	none	none

Note 1: Approved by letter No. 41710 issued by Taiwan Securities and Futures Bureau on July 6, 1996.

Note 2: Approved by letter No. 51753 issued by Taiwan Securities and Futures Bureau on July 8, 1997.

Note 3: Approved by letter No. 58543 issued by Taiwan Securities and Futures Bureau on July 7, 1998.

Note 4: Approved by letter No. 89461 issued by Taiwan Securities and Futures Bureau on October 12, 1999.

Note 5: Approved by letter No. 56345 issued by Taiwan Securities and Futures Bureau on June 30, 2000.

Note 6: Approved by letter No. 78284 issued by Taiwan Securities and Futures Bureau on September 26, 2000.

Note 7: Approved by letter No. 144283 issued by Taiwan Securities and Futures Bureau on July 18, 2001.

Note 8: Approved by letter No. 0910140161 issued by Taiwan Securities and Futures Bureau on July 18, 2002.

Note 9: Approved by the letter No. 0920130851 of the Taiwan Stock Exchange on July 10, 2003.

Note 10: Approved by the letter No. 0930129290 of the Securities and Futures Bureau on July 5, 2004.

Note 11: Approved by the letter No. 09301200530 of the Ministry of Economic Affairs on October 29, 2004.

Note 12: Approved by the letter No. 09401012110 of the Ministry of Economic Affairs on January 28, 2005.

Note 13: Approved by the letter No. 09401072190 of the Ministry of Economic Affairs on April 29, 2005.

Note 14: Approved by the letter No. 0940126044 of the Financial Supervisory Commission on June 29, 2005.

Note 15: Approved by the letter No. 0950127547 of the Financial Supervisory Commission on June 30, 2006.

Note 16: Approved by the letter No. 09501245260 of the Ministry of Economic Affairs on November 1, 2006.

Note 17: Approved by the letter No. 0960023044 of the Financial Supervisory Commission on May 17, 2007.

Note 18: Approved by the letter No. 0960032654 of the Financial Supervisory Commission on June 28, 2007.

Note 19: Approved by the letter No. 0970032061 of the Financial Supervisory Commission on June 27, 2008.

Note 20: Cancellation of treasury stock reduction approved by the letter No. 09801078180 of the Ministry of Economic Affairs on April 22, 2009.

Note 21: Approved by the letter No. 0980036143 of the Financial Supervisory Commission on July 20, 2009.

Note 22: Cancellation of treasury stock reduction approved by the letter No. 10401278060 of the Ministry of Economic Affairs on December 29, 2015.

B. types of shares that have been issued.

April 25, 2026

Types of shares	Approved Capital			Note
	Shares Outstanding	Unissued Stock	Total	
Registered common shares	Listed stocks 169,200,000 shares	51,800,000 shares	221,000,000 shares	3,000,000 shares are reserved for issuance of employee stock options.

C. Summary declaration system related information: Not applicable.

(2). Major Shareholders Name, total number of shares held, and percentage of shareholding of shareholders who own more than 5% of the total shares.

April 25, 2026

share names of Major Shareholders	Shareholding	Shareholding(%)
Cheng-Feng Investment Co., Ltd.	20,278,409	11.98
You-Feng Investment Co., Ltd.	13,983,236	8.26
Tsung-Fu Investment Co., Ltd.	28,367,914	16.77
Ting-Yao Investment Co., Ltd.	23,357,792	13.80
Total	85,987,351	50.81

(3) Dividend Policy and Implementation Status:

1. Dividend Policy of the Company

When the Company makes the final accounting to obtain a net income, after all taxes and dues have been paid and losses have been covered and at the time of allocating surplus profits, it shall first set aside 10% of such profits as a legal reserve; provided that no legal reserve may be set aside when such legal reserve has reached the Company's total paid-in capital. If necessary, it may set aside or reverse a special reserve or retain surplus earnings with discretion in accordance with the relevant laws from the balance plus undistributed earnings.

If there is still a balance, together with accumulated undistributed profits, the Board of Directors shall draft a resolution for the distribution of profits and distribute it through the issuance of new shares, which shall be submitted to the shareholders' meeting for resolution.

Pursuant to article 240 of the Company Law, the Board of Directors is authorized, with the presence of two-thirds of the directors and the resolution of more than half of the present directors, to distribute all or part of the dividends, bonuses or the statutory reserves and the capital reserves as stipulated in article 241 of the Company Law, in the form of cash and report to the shareholders' meeting.

Considering the Company's current status and future expansion development, the share dividend may be "Residual Dividend Policy". In the future, the company consider the economic environment for sustainable development. The distribution plan needs to be proposed by the Board of Directors and approved by the shareholders' meeting. The cash dividends shall not be less than 10% of the total dividends. However, if the cash dividend less than 0.2 per share, it would change to distribute stock dividend.

2. The proposal distribution of dividends submitted to this shareholders' meeting

(The proposal has been passed by the March 10, 2026 meeting of the Board of Directors of the Company, and has not been passed by the 2026 shareholders' meeting)

The Company proposes not to distribute dividends.

3. When there are major changes in the anticipated dividend policy, explanation is needed:

Considering the Company's current status and future expansion development, the share dividend may be "Residual Dividend Policy". Under the circumstance of no earnings in the year 2025, the anticipated bonus dividend rate is 0.

(4) Proposal on the Impact of Stock Dividend Issuance on Business Performance of the Company and Earnings Per Share Not Applicable (The Company has not disclosed the Financial Predictions for 2025)

There is no proposal of stock dividends this time, therefore no effect on the Business Performances of the Company and Earnings per share.

(5) Profit-sharing compensation of employees and directors:

1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the company's articles of incorporation.

If the Company records a profit for the year, no less than 3% of such profit shall be allocated as employee compensation. Of the aforementioned employee compensation amount, no less than 20% shall be distributed to entry-level employees. Such compensation may be distributed in the form of shares or cash upon resolution of the Board of Directors. The Company may, upon resolution of the Board of Directors, allocate no more than 5% of the aforesaid profit amount as directors' remuneration.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

There is no earnings before tax of the Company in 2025, therefore no estimation of the remunerations of the employees and directors.

3. Information on any approval by the board of directors of distribution of profit-sharing compensation:

- (1) The amount of any employee profit-sharing compensation and director and supervisor profit-sharing compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.

There is no proposal of distribution of bonuses and remunerations of the employees and directors in cash or stocks, thus not applicable.

- (2) The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation.

There is no proposal of distribution of remunerations of the employees in stocks in 2025, thus not applicable.

4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated: None.

(6) Buyback of Treasury Stock

Buyback of Treasury Stock

April 25, 2026

Treasury stocks: Batch Order	First (order)	Second (order)	Third (order)	Fourth (order)
Purpose of buy-back	To remain the company's credit and shareholders' interests	To remain the company's credit and shareholders' interests	Transfer shares to Employees	Transfer shares to Employees
Timeframe of buy-back	2008/11/17~2008/12/25	2015/8/27-2015/10/8	2020/8/13~2020/10/6	2020/11/13~2020/12/11
Price range	lowest \$11 highest \$21.5	lowest\$8.3 highest \$14	lowest \$10.45 highest \$13	lowest \$13.85 highest \$16.95
Class, quantity of shares bought back	1,400,000common shares	2,398,000common shares	2,115,000 common shares	1,186,000 common shares
Value of shares bought-back (in NT\$ thousands)	NTD 17,764,886	NTD22,851,830	NTD25,617,407	NTD17,441,856
Percentage of the actual repurchased quantity to the planned repurchase quantity, expressed as a percentage.	100%	100%	64.09%	79.07%
Shares sold/transferred	1,400,000 shares	2,398,000 shares	2,115,000 shares	1,186,000 shares
Accumulated number of company shares held	0 share	0 share	0 share	0 share
Percentage of total company shares held (%)	0%	0%	0%	0%

2. Corporate Bond: None.

3. Preferred Stock: None.

4. Overseas Depositary Receipts: None.

5. Employee Stock Options: None.

6. Restricted Stock to Employees: None.

7. Mergers and acquisitions or the issuance of new shares due to the acquisition or transfer of shares in other companies : None.

8. Execution of Capital Utilization Plan: The Company has not issued any incomplete plans or plans that have not shown benefits within the past three years.

IV. Operations Profile

I. Business Content

i. Business Scope

1. The main business activities

- (1) Manufacturing of steel wire and steel cable
- (2) Copper chain industry.
- (3) Copper casting industry.
- (4) Copper rolling, drawing and extrusion industry.
- (5) Other non-ferrous metal basic industries.
- (6) Manufacturing of metal wire products.
- (7) Other metal product manufacturing.
- (8) Heat treatment industry.
- (9) Surface treatment industry.
- (10) Manufacturing of machinery and equipment.
- (11) Other machinery manufacturing.
- (12) Manufacturing of electronic components.
- (13) Manufacturing of other electrical and electronic machinery and equipment.
- (14) Manufacturing of other optical and precision instruments.
- (15) Manufacturing of molds.
- (16) Wholesale of machinery.
- (17) Manufacturing of electronic materials.
- (18) Other wholesale industries.
- (19) Retail of electronic materials.
- (20) Other retail industries.
- (21) International trade.
- (22) In addition to permitted business, the company is allowed to engage in businesses that are not prohibited or restricted by law.
- (23) Waste Disposal Services Industry
- (24) Resource Recycling Industry
- (25) Renewable Energy Self-Use Power Generation Equipment Industry
- (26) Any business activities not prohibited or restricted by applicable laws or regulations, except for businesses requiring special approval or licensing.

2. Ratio of Operating Revenue

The proportion of operating revenue of our company and subsidiaries' main products for 2024 is as follows:

Item	Proportion
Household electronic connectors	75.22%
Special New Copper Material Products	9.76%
Eco-Friendly Ultra-Low-Lead Copper Products	6.19%
Wire Harness Connectors	5.25%
Automotive Connectors	1.79%
Electrical Terminals	1.00%
High-Precision Electronic Connectors	0.29%
Other	0.50%
Total	100.00%

3. Current Products (Services) of the Company

Item	Purposes of Main Products
Household electronic connectors	Used in household appliances industry, various national plugs, power tools and other products.
Automotive connectors	Used for automotive wire harnesses, automotive electronic product connectors.
Environmentally-friendly lead-free copper products	Applicable to the green energy industry and compliant with EU RoHS 2.0, including VDE standards for various countries in Europe, the United Kingdom, South Africa, and others.
Electrical terminals	Used for bridging equipment and devices in the electrical and electronic industry
High-precision electronic connectors	Used for connectors in the electronics, medical, and communication industries.
Special New Copper Materials	Applied in industrial equipment, energy storage systems, servers, automobiles, telecommunications, household appliances, and other related applications.
Other	Raw materials, ceramic sleeves (note), molds

Note: Ceramic sleeves are a main component of fiber optic connectors, and their application is mainly concentrated in industries such as information, video, and telecommunications.

4. New Products (Services) Planned to be Developed

- (1) Expand the development of high-end multi-gauge strip copper materials to break the long-standing monopoly by Germany and Japan, and plan to construct 12 new production line workshops at our Suzhou factory.
- (2) In 2018, our company officially became a dual-platform enterprise capable of refining and stretching copper and manufacturing terminals. Leveraging this advantage, we have been developing new products that meet market trends, such as GB, UL, SAA, 2X4 integrated plugs, and environmentally friendly lead-free copper products. We continue to expand our production capacity to meet market demands.
- (3) Utilize our existing machining, stamping, and electroplating processes to develop machining products.
- (4) In response to the increasing demand for replacing imported components in the Asian market, we are developing high-end wire harness connectors and terminals. We are also renovating our stamping workshop to meet production management requirements.

II. Industry Overview

1. Current Situation and Development of the Industry

The World Economic Outlook report released by the IMF in April, 2025 projects a global economic growth rate of 2.8% and 3.0% for 2025 and 2026, respectively.

Latest World Economic Outlook Growth Projections

(real GDP, annual percent change)	PROJECTIONS		
	2021	2022	2023
World Output	6.0	3.2	2.7
Advanced Economies	5.2	2.4	1.1
United States	5.7	1.6	1.0
Euro Area	5.2	3.1	0.5
Germany	2.6	1.5	-0.3
France	6.8	2.5	0.7
Italy	6.7	3.2	-0.2
Spain	5.1	4.3	1.2
Japan	1.7	1.7	1.6
United Kingdom	7.4	3.6	0.3
Canada	4.5	3.3	1.5
Other Advanced Economies	5.3	2.8	2.3
Emerging Market and Developing Economies	6.6	3.7	3.7
Emerging and Developing Asia	7.2	4.4	4.9
China	8.1	3.2	4.4
India	8.7	6.8	6.1
ASEAN-5	3.4	5.3	4.9
Emerging and Developing Europe	6.8	0.0	0.6
Russia	4.7	-3.4	-2.3
Latin America and the Caribbean	6.9	3.5	1.7
Brazil	4.6	2.8	1.0
Mexico	4.8	2.1	1.2
Middle East and Central Asia	4.5	5.0	3.6
Saudi Arabia	3.2	7.6	3.7
Sub-Saharan Africa	4.7	3.6	3.7
Nigeria	3.6	3.2	3.0
South Africa	4.9	2.1	1.1
Memorandum			
Emerging Market and Middle-Income Economies	6.8	3.6	3.6
Low-Income Developing Countries	4.1	4.8	4.9

Source: IMF, *World Economic Outlook*, October 2022

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2021/2022 starting in April 2021. For the October 2022 WEO, India's growth projections are 6.9 percent in 2022 and 5.4 percent in 2023 based on calendar year.

INTERNATIONAL MONETARY FUND

IMF.org

Source : IMF website

In the World Economic Outlook Report released by the International Monetary Fund, it is estimated that the global growth rate is expected to be 2.8% in 2025 and 3.0% in 2026. The report points out that the current global economic system is undergoing profound restructuring, which is the first time that the rule system on which most countries rely for operation in the past 80 years faces systematic reset. The world is entering a new era, the old rules are being severely challenged, and the new order has not yet been established. Since late January 2025, the United States has successively announced a series of tariff measures, first targeting Canadian, China, Mexican and some key industries, and finally extending them to almost all imported goods on April 2. The effective tariff rate in the United States has soared rapidly, exceeding the level during the Great Depression, and the counter-actions of major trading partners have further pushed up the global tariff burden.

The resulting cognitive uncertainty and unpredictable policy direction have become one of the key risks affecting the global economic prospects. If the sudden upward trend of tariffs continues and related uncertainties persist for a long time, it will inevitably interfere with corporate confidence and investment decisions, which will significantly drag down the momentum of global economic growth.

The company mainly engages in the development and sales of terminal and terminal-related products and technology extension for new products. As the only domestic manufacturer with high-quality processing and manufacturing capabilities of multi-gauge strip, our products have a competitive advantage in production technology, which allows us to maintain an important position in the market. The following is an explanation of the development trend of our products:

1. Terminal

A terminal is a metal component used for connecting electrical circuits between two conductors. It has a wide range of applications, including wiring in electrical appliances, telecommunications transmission in electronic and information products, and more. Terminal products are widely used in various industries such as information technology, electrical engineering, automotive, power connectors, communications, construction, machinery, instrumentation, and lighting. Therefore, terminals can be divided into the following three categories according to their application industries: A. Electrical plug-type terminals, B. Electronic and communication-type terminals, C. Automotive and wheel industry-type terminals. Currently, the company mainly produces electrical plug-type terminals, with electronic and communication-type terminals and automotive and wheel industry-type terminals as supplementary products.

- Electrical plug-type terminals are mainly supplied to various electrical products' AC power plug and socket terminals worldwide, such as computer and home appliances.
- Electronic communication terminals are mainly used in various electronic communication products, such as telephone communication terminals, wiring terminals.
- Vehicle and wheel industry terminals mainly supply DC power connection terminals to various countries, such as connectors for automobiles and motorcycles, instrument terminals for medical use, terminals for lighting and instruments.

Currently, the market environment for terminals is rapidly changing due to the impact of the geopolitical factors and trade war on tariffs. Therefore, it is important to stay informed of market trends, have a global presence, effectively integrate production and sales plans within the group, control inventory, improve production technology, and increase machine utilization to reduce operating costs. In addition, implementing flexible marketing strategies can help increase market share or product gross margin. Planning and developing special new copper material refining factories and exploring the market for multi-gauge strip products can also help gain a competitive advantage in the future.

Regarding the increasingly important environmental issue, our company complies with the EU ROHS directive and global environmental trends, leading the way in obtaining VDE and BSI safety certifications, and fully developing environmentally friendly lead-free copper products for plugs in various countries to sustainably supply the market. As our company uses only regular materials, such as C2800 optimized environmentally friendly lead-free copper alloy (GEM19-589), as the material for connector terminals, and produces this type of copper alloy in-house at our Vietnam factory, we have become the exclusive manufacturer of connector terminals using in-house drawn copper alloy in the international market, possessing first-class EU environmental material manufacturing and lathe product processing capabilities. On June 9, 2021, GEM was invited to participate in an online meeting of RoHS exemption beneficiaries on the "Successful Replacement of Electrical Contact Components" and to discuss and share successful experiences together. The EU Advisory Council evaluated GEM's case as a viable alternative product for Door Opener, however, due to the broad impact of the product, it is difficult to apply to all processes. As a result, the European Union has ultimately decided to grant an exemption, extending the deadline until July 21, 2026. Moreover, the EU still mentioned in the final report that the participants generally agreed with GEM's successful conversion case. Based on this foundation, our company's product quality and supply are worthy of recognition and trust, and we can fulfill our responsibility for environmental protection for the earth.

On July 24, 2024, the National Standardization Administration of the People's Republic of China issued the Standard No. GB 1002-2024, mandating the use of insulation sleeves on live bolt in plug products. The standard will take effect on August 1, 2025, with mandatory enforcement beginning on August 1, 2027. GEM TERMINAL Group completed the application for an invention patent of one-shooting molding of terminals in plug products on June 30, 2023. The Company with cost advantages in materials, equipment setup, labor, and manufacturing, compared to conventional secondary machining techniques in the industry. To secure a first-mover advantage, the Company has proactively implemented multiple adjustments to its stamping and injection molding development parameters in response to the newly

promulgated regulatory standards. During the drafting of the standard, the Company provided technical and safety-related recommendations to the National Standardization Administration of the People's Republic of China, with the objective of enhancing electrical safety, elevating industry technical thresholds, and preventing non-compliant or vicious competitive practices. In addition to compliance with China's national standards for 6A, 10A, and 16A insulated terminal plugs, the Company has further extended the application of our proprietary one-shooting molding technology in developing insulated terminal plugs of Taiwan CNS, Japanese, and Australian SAA standards.

2.New Energy Vehicles

In order to achieve the goal of "zero net emission by 2050" and improve air quality, the Ministry of Environment promotes air pollution subsidies and carbon reduction incentives, providing different amounts of subsidies for different vehicle types, encouraging people to eliminate old vehicles that have been used for more than 10 years and buy electric vehicles. In 2023, the sales volume of domestic electric vehicles reached 27,497, with an annual growth rate of 6.56%. As for the first quarter of 2024, affected by the continuous hot sale of the Tucson NX4 electric trams in Sanyang and the strong sales of Guorui hybrid electric vehicles, the sales volume of domestic electric vehicles reached 10,891 from January to March 2024, an increase of 79.51% compared with the same period in 2023.

Overseas, driven by the trend of zero net emission and the green energy policies of various countries, the global total sales volume of electric vehicles (including pure electric vehicle BEV and plug-in hybrid vehicle PHEV) reached 14.182 million in 2023, with an annual growth rate of 34.8%. Among them, the United States provided tax breaks for electric vehicles through the Inflation Reduction Act (IRA), which promoted the sales of electric vehicles to increase by 46.3% in 2023. However, due to the saturation of demand in China market, the sales momentum of new energy vehicles slowed down significantly. In 2023, the total sales volume reached 9.495 million, with an annual growth rate of 37.9%.

In response to the government's improvement of the average fuel consumption standard of car factories and the global carbon reduction trend, domestic car manufacturers have accelerated the introduction of electric trams or pure electric vehicles for R&D and production, and car dealers and dealers have simultaneously improved the marketing efforts of electric vehicles. At present, the Company also lists the charging connector of new energy vehicles as an important direction for future development.

Automobile connectors and connecting harnesses are important components for connecting various electronic devices and parts of automobiles. They are mainly used in power system, body system, information control system, safety system and vehicle-mounted information communication equipment, including round connectors, RF connectors, FCP connectors, I/O connectors and so on. As far as the traditional car is concerned, a car needs about 400 connectors and 200 connecting wire harnesses. With the continuous progress of information communication technology, domestic and foreign car manufacturers accelerate the development of intelligent and networked cars, invest in the development of advanced driver assistance system (ADAS) and new energy vehicles, and introduce a large number of radar, sensors, communication, lens, detection, navigation and entertainment systems, which make the proportion of electronic parts imported into cars increase year by year, and the market of automobile connectors, therefore, it has become a focus area for domestic and foreign manufacturers.

Main application scope of automotive connectors

Automotive subsystem	Main devices using connectors
Powertrain system	Charging pack, battery bank, and electric motor
Vehicle body electronic system	Power distribution, insurance, doors, windows, reflecting mirror, air conditioning and heating
Information control system	Dashboard, antenna, and car networking system
Safety system	Anti-lock braking system (ABS), airbags, and collision prevention system
In-vehicle communication equipment	Car audio system, GPS navigation, display screen, and onboard computer

At the beginning of 2024, China’s automotive market experienced oversupply and elevated inventory levels. In response, local governments launched vehicle trade-in subsidy programs starting in April, followed by additional subsidy increases in August, further stimulating replacement demand. The program aimed to facilitate the replacement of 6.8 million older vehicles, of which more than 60% were expected to be replaced by new energy vehicles (NEVs), demonstrating significant policy effectiveness.

Supported by subsidies and promotional pricing strategies, China’s NEV sales reached 12.866 million units in 2024, representing a year-on-year increase of 35.5%. The market share of NEVs in the overall passenger vehicle market increased to 40.9%, up substantially by 9.3 percentage points compared with 2023. Structurally, plug-in hybrid electric vehicles (PHEVs) led the growth trend, with sales reaching 5.141 million units in 2024, representing a year-on-year increase of 83.3%, making them the primary driver of overall market growth. Driven by advancements in AI technologies and intelligent driving functions, market competition has gradually shifted from pure price competition toward intelligent features and safety functions, such as Level 2 Advanced Driver Assistance Systems (ADAS). Meanwhile, the central government also extended the vehicle trade-in subsidy policy. In the first quarter of 2025, NEV sales reached 3.075 million units, representing a year-on-year increase of 47.1%, indicating that domestic demand remains resilient.

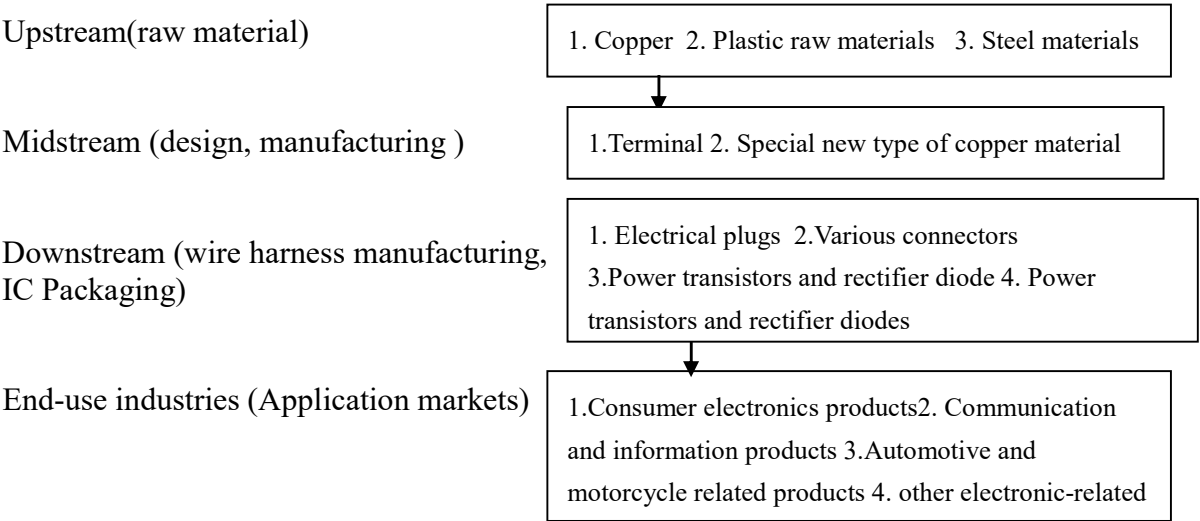
3. High-Conductivity Copper Busbars

As a core component for high-current transmission, the conductivity efficiency and material purity of copper busbars directly affect energy losses in power systems. In 2026, driven by the explosive growth of AI data centers and large-scale Battery Energy Storage Systems (BESS), demand for high-specification copper busbars has entered a period of structural expansion. According to a report published by Market Research Future in February 2026, the global copper busbar market is expected to exceed US\$21 billion in 2026. Among all applications, high-conductivity copper busbars used in high-power-density server racks are expected to experience the most significant growth.

As the only domestic manufacturer possessing advanced processing capabilities for high-quality special-shaped conductor copper materials, the Company’s core competitive advantage lies in its mastery of key casting technologies, enabling the production of ultra-low-oxygen oxygen-free copper. Compared with general industry standards, the Company’s oxygen-free copper products feature exceptional electrical conductivity (exceeding 100% IACS) and superior ductility. These characteristics effectively reduce temperature rise during high-current transmission and extend the service life of electrical components. This technological advantage positions the Company’s products as an irreplaceable solution within the AI data center supply chain, where maximizing Power Usage Effectiveness (PUE) has become a critical objective.

As the power consumption of AI server chips officially surpasses the 1000W threshold in 2026, cooling technologies have rapidly shifted from traditional air-cooling systems toward liquid-cooling architectures. According to the latest data from TrendForce, the penetration rate of liquid cooling in AI servers is expected to surge to 47% in 2026, with the market size reaching US\$6.41 billion. In response to this trend, the Company has leveraged its existing precision milling and copper casting technologies to extend the application of its copper busbar products into the manufacturing of thermal management components, including copper bases, fins, vapor chambers, and micro-channel liquid-cooling copper tubes. These products effectively dissipate heat sources and reduce temperature differentials in high heat-flux-density applications. Through these developments, the Company continues to expand its cross-domain product portfolio spanning both power distribution and thermal management solutions, thereby positioning itself to capture growth opportunities in the global high-end liquid-cooling market.

2. The relationship between upstream, midstream, and downstream in the industry



3. Trends of Product Development and Competition

(1) Terminal Product:

- (1.1) The market demand for electrical plug-type terminals is large and has shown stable growth over the years. Therefore, our company has prioritized the development of electrical plug-type terminals. Depending on the country of use, electrical plug-type terminals can be broadly categorized into four types: the American-Japanese-Canadian system, the European Community system, the Commonwealth system, and the China Great Wall standard system. The American-Japanese-Canadian system is mainly used in countries such as the United States, Japan, Canada, Taiwan, and the Philippines. The European Community system is primarily used in countries like Germany, France, and other countries in northern Europe, as well as Turkey and South Korea. The Commonwealth system is mainly used in countries such as the United Kingdom, India, Hong Kong, Singapore, and Indonesia. The China Great Wall standard system is primarily used in China. Due to the wide variety of terminal types, it is not possible to develop all of them comprehensively. To establish a prominent position in the international terminal industry and align with the overall development of the domestic industry, our company focuses on the development of AC power plug terminals and European plug terminals. After years of research and development, our company has become the largest manufacturer of electrical plug-type terminals in Asia. Our product quality is on par with international counterparts, and our production capacity is sufficient to compete with American companies such as HEYCO and ETCO, as well as Japanese companies like YUKO and KITANI, and German companies like TALLER in the markets for Japanese, American, and European standard electrical plug terminals. Since the establishment of our subsidiary, GEM (SuZhou), in 2005, we have strategically expanded into the largest single market in the world, China. Additionally, starting in early 2012, GEM in DongGuan began a series of transformation projects to source local materials as the primary supply source, aiming to fully explore the domestic market in China. The GEM Group initiated a comprehensive automation transformation in 2013 and completed the construction of the first-phase factory in Vietnam in the first quarter of 2016, expanding our presence to the 10 ASEAN countries plus one market. Starting in 2017, a series of operational and management reforms will be launched to make our company's production and sales strategies more flexible and aggressive. In 2023, GEM Vietnam initiated a capital increase, transforming its production process into the most comprehensive and vertically integrated within the GEM Group. This integration covers production processes from copper refining, stamping, and turning, to electroplating, injection molding, assembly, and packaging of finished products. These efforts primarily aim to supply finished and semi-finished products to various regions within the Group, effectively reducing production costs. In 2023, the Company completed the application for the invention patent of its "one-shot molded plug terminal" technology. In 2024, China officially announced the requirement that GB-standard plugs "shall be equipped with" insulated terminals, with mandatory implementation scheduled to commence on August 1, 2027. To seize market opportunities and prepare proactively, the Company has repeatedly adjusted the development parameters of its stamping and injection molding dies in accordance with the stringent revision standards issued by the authorities. During the formulation process led by the China National Standards Committee, the Company also provided relevant safety standard recommendations. Leveraging its leading technologies and cost advantages in materials, equipment installation, labor, and manufacturing expenses, GEM Terminal Ind. expects that, as the market enters the transition phase beginning in the second half of 2026, the benefits arising from this regulatory shift and the related profit contributions will gradually become more apparent.
- (1.2) In terms of electronic communication and automotive wheel industry terminals, the automotive electronics industry is regarded as the emerging "4C" (Car Electronics) industry, following the 3C (Computer, Communications, Consumer Electronics) industry. This highlights the shift of the automotive industry from mechanical engineering to electronic system integration. Simultaneously, as consumer demands for vehicle safety, comfort, and environmental sustainability, a strong market demand presents opportunities for the automotive parts and automotive electronics industry. These opportunities mainly focus on in-car information systems, automotive entertainment systems, energy efficiency, automotive safety, semiconductors, and LED industries. Additionally, the growing popularity of autonomous and connected vehicles promotes the development of advanced driver safety assistance systems, such as imaging systems, blind spot detection, lane departure warning, parking assistance, and LED products. The significant business opportunities in the automotive electronics sector have attracted numerous industry players, fueling a new wave of market investment. With the development of intelligent transportation systems, automotive electronics will be one of the primary profit battlegrounds in the future. "Automotive electronics" encompasses system products that integrate automotive manufacturing, electronics, optoelectronics, and communication technologies. The application areas cover engine/transmission systems, suspension/chassis systems, safety systems, car body electronic systems, driver information systems, and security systems. The sustained growth of the traditional electronics and communication industries, coupled with the vast opportunities in the "automotive electronics" sector, will drive the thriving development of the electronic communication and automotive wheel industry terminal industry.

(2) Special New Copper Material Products

Leveraging its profound expertise accumulated in the precision processing industry, GEM Terminal Ind. deeply recognizes that “raw material localization and self-sufficiency” represent a core strategy for enhancing the added value of high-end products and strengthening competitive barriers. To break the long-standing market dominance of European and Japanese manufacturers in high-end special-shaped conductor copper materials, the Company strategically established a “Special New Copper Material Plant” in Taiwan. Through a fully integrated production model covering raw material smelting, continuous casting, and special-shaped conductor processing, the Company has successfully built a self-sufficient supply chain featuring both supply stability and cost advantages. Driven by the rise of the artificial intelligence (AI) computing era and high-density data centers, market demand for high-power supply systems and high-efficiency thermal management solutions has experienced structural growth. To address the challenges of high-current transmission and heat dissipation generated by AI servers operating under extremely high workloads, the Company’s specially developed new copper materials provide exceptional electrical and thermal physical properties that ensure a high level of system stability. The plant was completed at the end of 2024 and officially entered mass production in 2025, fully demonstrating the strategic value of the Company’s core technologies in achieving both “technological self-sufficiency” and “domestic production localization.”

As one of the few professional manufacturers in the world possessing a fully integrated vertical business model encompassing “R&D and design, raw material production, and finished product manufacturing,” GEM Terminal Ind. is not only capable of precisely meeting the customized requirements of leading global customers, but also able to enhance profit margins through technological advantages and the benefits of the circular economy.

Looking ahead, the Company will continue to leverage these strengths as its core growth drivers, actively cultivate high-end niche markets, and create long-term and sustainable value for all shareholders.

4. Competitive situation

Terminal Product

The following table presents the main competitors for our various product categories after comparing the primary product offerings of different manufacturers:

Connector Types:	United States	Japan	South Korea	Europe	Taiwan	China
Electronic Communication Connectors	AMP(TE), MOLEX	JST (Japan Pressure Terminal Electric Works)	KET		ShinChen, Gavial, Jessiame, Willas	
Electrical Plug Connectors	HEYCO,ETC O	YUCO,KITANI		TALLER (Germany), TAA	GuoZhi, WangDa, HaoWei	HeNan TianHai, YueLong, Dechang, Prag, HongHao, ZhiAi, QunXiang, WeiHuang, ZhengBiao, JinKeDa
Automotive Connectors	AMP(TE),MOLEX,ETCO	OPT Oriental Terminal, JAM Terminal	KET	FCI (France)	ShinChen, HuLian, Willas, ShinSheng, JianHeXing, Jian Hui	ZhuCheng, HongXing
Multi-gauge Strip Copper Materials		Mitsubishi Materials		Weiland, Kemper (Germany)		

3. Technology and R&D

1. R&D expenses in the latest year and as of the publication date of the annual report:

Unit: NT\$ thousands

Item	2025	2026 First quarter
R&D expense	25,255	2,832

2. Recent annual and year-end reports of the GEM Group (including overseas subsidiaries) highlight the following successful technology or product developments:

- (1) Completion of 10 production lines for multi-gauge strip copper materials.
- (2) Completion of development of Japanese standard insulated integrated plugs, along with successful patent approval.
- (3) Completion of the construction of new copper refining plant, with trial production underway.
- (4) Completed the introduction of piercing terminal stamping die technology and developed products of other specifications.

4. Long-term and Short-term Business Development Plans

1. Short-term plans

(1) Marketing Strategy:

- A. Continuously improve the performance evaluation system for sales incentives, adjust sales strategies, and focus on existing customers that account for 90% of total revenue, while continuing to develop potential new customers. This approach not only expands revenue but also diversifies the customer base to reduce credit exposure risks.
- B. In response to the implementation of new GB safety standards for semi-insulated terminals in China, leverage technological and cost-leading advantages to accelerate expansion into the GB-standard market, while also actively promoting the markets for SAA and TMARK integrated semi-insulated products.
- C. In response to the implementation of the EU's low-lead environmental regulations in 2026, fully promote environmentally friendly ultra-low-lead copper products in order to secure an early position in the low-lead product market.
- D. Accelerate market development for hollow products by leveraging advantages in high quality and low cost to capture both domestic and international markets, while also developing hollow French-type plugs as substitutes for copper spring clips to penetrate the mid- to low-end domestic China market.
- E. Expand participation in overseas exhibitions to accelerate the promotion of the special-shaped conductor material market, obtain market intelligence, and capitalize on the competitive advantages of being a professional manufacturer integrating both rolling and milling technologies, thereby enhancing brand recognition and market share.
- F. Vietnam GEM has become the primary production base of the GEM Group, accelerating the benefits of international division of labor and further expanding into Southeast Asian markets.
- G. Special-shaped conductor copper materials have become one of the Company's primary new profit-generating products. The market strategy distinguishes between the China market and the Taiwan plus overseas markets. In addition to increasing participation in exhibitions in Taiwan, China, and overseas markets, approximately half of the exhibition content focuses on special-shaped conductor copper materials.
- H. Continue the development of the wire harness terminal market, particularly within the China market.
- I. In line with the transition to GB-standard semi-insulated safety requirements, expand the market for single-piece semi-insulated products in order to improve gross profit margins.
- J. Develop phosphor bronze substitute materials to enhance product performance and reduce costs, while further expanding the phosphor bronze product market.

(2) Production Strategy

- A. Reposition the production characteristics of each plant to maximize operational efficiency: the Taiwan plant will transform into a special new copper material casting plant; the Dongguan plant will focus on injection molding processes; the Suzhou plant will develop wire harness terminals, connectors, and milled special-shaped conductor materials; and the Vietnam plant will become the primary production center for mass-produced products.
- B. Fully implement automation to reduce manpower requirements, improve production efficiency, and enhance employee welfare.
- C. The incentive system implemented at the Vietnam plant has achieved positive results and will be further extended to other plants in order to stimulate employee motivation, cultivate talent, and further attract qualified personnel.
- D. Implement effective management of wastewater treatment, air pollution prevention, and compliance with environmental regulations imposed by local governments, with the long-term goal of consistently meeting discharge standards and contributing to environmental protection efforts.
- E. Closely monitor global carbon neutrality requirements imposed by governments worldwide. The Company has already commenced carbon inventory operations and plans to extend such initiatives to all plant locations.
- F. Integrate the Group's production capacity by relocating equipment from the Dongguan plant to the Suzhou and Vietnam plants for production purposes, thereby improving resource utilization efficiency and reducing production costs.
- G. Vietnam GEM has implemented vertically integrated production operations by recycling copper scrap materials and re-smelting them into copper raw materials, thereby reducing production costs and enhancing product competitiveness.

- (3) Research and Product Development Strategy
 - A. Strengthen the recruitment and training of high-quality talents to establish the capability of independent development of precision molds.
 - B. Expand the research and development team, introduce the VDA6.3 process audit management requirements of European automakers, continuously optimize and expand to more workshops, increase project management capabilities, and explore higher-end customer markets.
 - C. Strengthen the existing stamping and injection molding mold technology to accelerate the development of terminal products for the automotive industry.
 - D. Actively develop and mass-produce high-value-added products, such as various specifications of electrical terminals, insulated plugs, eco-friendly lead-free plug products, high-voltage connectors for new energy vehicles, charging terminals, 5G communication terminals, high-end multi-gauge strip materials, and products, to enhance profitability.
 - E. Actively develop or improve various national plug products that can be automated and promote them in the market with semi-automatic and fully automatic terminal pressing machines in cooperation with strategic partners.
 - F. Continuously apply for product safety certifications and patents in various countries to facilitate market expansion and product marketing.
 - G. Develop production technology for eco-friendly lead-free copper products in response to environmental protection requirements.
 - H. Make good use of social resources to establish a research and development network.
 - I. As a newcomer in the market for connectors used in electrical wire harnesses, GEM should actively evaluate suitable products and allocate budgets to enter and expand this blue ocean market.
 - J. Use intelligent technology for equipment automation, monitoring, and analysis to achieve Industry 4.0 Internet of Things.
 - K. Collaborate with customers in the development of special copper products in order to expand market opportunities.
 - L. Develop market-grade copper products, such as C1201, C10300, and related materials.
- (4) Operational and Financial Strategy
 - A. Strengthen business management by conducting account risk assessment and classification for customers in advance to prevent and reduce bad debts, improve accounts receivable turnover, and reduce the possibility of bad debts.
 - B. Strengthen control over inventory obsolescence and price decline risks, improve inventory turnover, and prepare sufficient funds to seek appropriate opportunities for purchasing raw materials to meet the needs of the group's operations.
 - C. Strengthen the company's financial management capabilities, increase operating funds, reduce funding costs, and flexibly adjust to enhance the ability to control risks such as exchange rates and interest rates.
 - D. Continuously evaluate investment opportunities for GEM Vietnam with a proactive and steady investment strategy, pursue globalization, and seek growth while maintaining stability.
 - E. Comply with relevant government regulations and policies, cooperate with the application for subsidies or tax incentives, and continuously promote corporate governance, safe production, and environmental protection.

2. Long-term plans

- (1) Marketing Strategy
 - A. Vertically or horizontally integrate with related terminal products or industries, and establish a complete marketing network. Utilize strategic alliances and cooperation to obtain critical technology and grasp market information.
 - B. Actively participate in various international exhibitions to enhance the recognition of the "GEM" brand in the international market and expand sales markets at home and abroad.
 - C. Actively participate in product development projects with high-quality customers. By leveraging leading product R&D technologies, the Company aims to cultivate long-term customer partnerships, expand market opportunities, and maintain customer stability.
 - D. Develop Vietnam GEM as the main production base for conventional products of the GEM Group, GEM in Taiwan as the main production base for multi-gauge strip copper materials using extrusion and milling machining methods, and Suzhou GEM specializing in milling machining multi-gauge strip copper materials and wire harness terminals. These efforts are aimed at maximizing the benefits of international division of labor.

- E. Sales strategy adopts the risk management strategy and management marketing strategy approach to improve sales gross margin.
 - F. Continuously implement the establishment of the Company's position as a high-end supplier in the industry with environmentally friendly lead-free copper alloy smelting technology + terminals, and plug support manufacturing.
 - G. Actively cooperate with international leading manufacturers in the development of new products in order to accelerate the expansion of the special-shaped conductor copper material market.
 - H. Expand promotion to electrical and power tool manufacturers and become a qualified supplier.
 - I. The new patented project for one-step molding of insulated terminals in plug products possesses significant sales advantages compared to conventional secondary machining techniques in the industry.
 - J. Expand the sales team to enhance customer service quality, recruit outstanding professional sales personnel, and further develop markets across various regions.
- (2) Production Policy
- A. Continuously collaborate with academic institutions and foreign technology giants, actively introduce new technologies and concepts for production process improvement.
 - B. Implement international division of labor strategy, move products that are technologically mature and labor-intensive to developing countries for production to gain cost competitive advantage and enhance competitiveness.
 - C. Comprehensive automation, reducing labor, improving production efficiency, and enhancing employee benefits.
 - D. Implementing Digiwin's ERP+APS+WMS+MES system to keep up with future market competition.
 - E. Software transformation to establish an incentive-based bonus system and smooth promotion channels to attract and cultivate talent.
 - F. Implementing wastewater treatment, air pollution prevention, and local government environmental regulations management to achieve long-term compliance with emission standards and contribute to the protection of the Earth's environment.
 - G. Continuously comply with government requirements regarding production safety and environmental protection regulations, while continuously optimizing production safety and environmental protection facilities, so as to provide employees with a safe working environment and steadily advance toward the goal of sustainable operations.
 - H. In response to future development needs, the company will introduce industrial informatization management and further evaluate intelligent management in the future.
- (3) Research and Product Development Strategy
- The Company will continue to invest in the research and development of new products and expand its product lines in order to meet customers' increasingly diversified demands. In response to developments in the telecommunications and automotive industries, the Company will strengthen collaborative product development with major European and American technology companies, including plug terminals for transformers used in various countries, terminals for automotive wheel industries, high-voltage connectors for new energy vehicles, 5G communication terminals, high-end special-shaped conductor copper material products, environmentally friendly ultra-low-lead plugs and terminals for various countries, and electrical terminals, thereby striving to further expand its presence in the telecommunications and automotive industries.
- (4) Operational and Financial Strategy
- A. Strengthen the control and planning of international funds, formulate medium and long-term fund raising plans, and establish the ability of overseas subsidiaries to raise funds on their own.
 - B. Through the research and development of new products, updating of machinery and equipment, and automation, and the improvement of production technology, expand the scale of operation to increase market share and become a world-class leading manufacturer.
 - C. Establish investment units to engage in non-core business investment activities within the limits of limited funds and manageable risks, in order to increase the profitability of the company.

2. Market and Production Sales Review

(1) Market Analysis

1. Sales(Provision) Regions for Main Products(Services)

Unit: NT\$ thousands

Region \ Year	2025		2024	
	Amount	%	Amount	%
Taiwan	406,426	12.81	150,554	4.72
China	2,476,630	78.08	2,738,573	85.90
Vietnam	148,142	4.67	135,605	4.25
Other	140,575	4.44	163,404	5.13
Total	3,171,773	100.00	3,188,136	100.00

Note: Other regions include Europe, Americas, and other areas.

2. Market Share

Our company possesses a vertically integrated operation with strong process capabilities. The company offer a wide variety of high-quality products and have obtained multiple certifications and patents in various countries. This enables us to effectively provide satisfactory services to our customers. In terms of business scale, machinery and equipment, research and development capabilities, and product precision, we stand out as a leader in the industry. After years of international division of labor and integrated production configuration, Vietnam facility of the GEM Group commenced operations in March 2016. This plant features a complete and vertically integrated process, covering production processes from copper refining, stamping, and turning, to electroplating, injection molding, assembly, and packaging of finished products. These efforts primarily aim to supply finished and semi-finished products to various regions within the Group. Currently, the production proportion of our Vietnam plant has increased, creating a competitive advantage through international division of labor.

3. Market supply and demand

Terminal products have a wide variety and are widely used in various fields such as household appliances, information technology, electronics, automotive, and consumer electronics. Our company's products primarily cater to the market of household appliances, consumer electronics, electrical appliances, information, and communication products. The market demand for such products directly impacts the upstream supply of terminals.

(1) Electrical Plug Connectors

Electrical plug terminals are primarily supplied for AC power plugs and sockets used in household appliances, information technology products, and consumer electronic products worldwide. Under the requirements of the China National Standard (GB 1002-2024), household plugs must be equipped with insulated sleeves, with mandatory implementation scheduled to take effect comprehensively on August 1, 2027. As 2026 represents a critical transition period for major brands and supply chains, the market is expected to experience large-scale demand for specification upgrades.

In response to this regulation, GEM Terminal Ind. has leveraged its patented “one-shot injection molding” technology. Compared with the two-shot molding technology commonly adopted in the industry, the Company’s solution not only provides highly competitive cost control advantages, but also demonstrates significant strengths in product quality consistency and production stability. This patented technology can effectively address quality challenges associated with large-scale mass production and is expected to substantially increase the Company’s market share in China’s domestic market, thereby transforming regulatory-driven opportunities into tangible profit growth momentum. The following analysis examines the future development prospects of the electrical plug terminal industry in areas including smartphones, tablets, notebook computers, and audio-visual equipment.

A. Smartphones and AI Devices

Entering 2026, the global smartphone market is being driven by a new replacement cycle fueled by the adoption of Edge AI applications. With the deployment of 5.5G technology, demand for high-frequency, high-speed transmission, high-voltage resistance, and high-power fast-charging terminals has become increasingly urgent. Leveraging its advantages in high-end copper materials and precision processing technologies, GEM Terminal Ind. is capable of providing low-impedance and high-conductivity plug terminals that support the safety requirements of large-capacity power transmission following the standardization of USB-C interfaces. Demand for such related terminals is expected to maintain steady growth.

B. Tablets and Laptops

Looking ahead to 2026, the notebook computer market is expected to benefit from a corporate replacement cycle triggered by the end of support for Windows 10, as well as the penetration rate of “second-generation AI PCs” surpassing 60%. AI PCs have significantly higher specification requirements for high-performance power supply modules and precision terminals. Leveraging its technological capabilities in supplying high-current-carrying plug terminals, GEM Terminal Ind. is expected to benefit from replacement demand in both the commercial and education markets, thereby driving growth in shipments of related components.

C. Audio-Visual Equipment and Smart Homes

In 2026, the global audio-visual equipment market is expected to continue developing toward larger-scale and smarter applications. With the maturation of display technologies such as Micro LED and the wider adoption of 8K resolution, the requirements for power transmission efficiency and signal purity in smart home hubs have increased substantially. GEM Terminal Ind.'s high-quality plug terminals feature low-noise transmission performance and high durability, enabling the Company to satisfy the stringent specifications required by leading international manufacturers for high-end displays and audio systems. As the high-end home appliance market gradually recovers, shipments of related products are expected to maintain stable growth.

(2) Automotive Connectors

Looking back on 2025, the global electric vehicle (EV) market entered a period of stable, technology-driven growth following the transition of government subsidy policies, with annual sales estimated to have exceeded 20 million units. Leveraging its comprehensive industrial supply chain and export momentum, the China market continued to lead globally, while the European and North American markets maintained stable penetration growth through the gradual expansion of charging infrastructure and the introduction of new vehicle models. As electric vehicles enter a dual-track development phase characterized by both "affordability" and "high-voltage architecture," the automotive connector market is projected to grow from US\$2 billion in 2023 to US\$10.9 billion by 2030, representing a compound annual growth rate (CAGR) of 27.1%.

The year 2026 represents a critical "technological turning point" for the electric vehicle industry, as mainstream market architectures rapidly evolve from 400V systems toward 800V and even higher-voltage platforms. This transition places extremely demanding requirements on automotive terminals:

- **High-Voltage and High-Current Carrying Capability:** In order to achieve ultra-fast charging and improve power efficiency, connectors must possess lower electrical resistance and higher thermal conductivity performance.
- **Advanced Driver Assistance Systems (ADAS):** The advancement of autonomous driving technologies is driving demand for high-speed data transmission terminals, requiring materials with extremely high signal stability.
- **Thermal Management and Structural Reliability:** Under extreme charging and discharging conditions, the fatigue resistance and thermal stability of terminal materials are directly related to vehicle safety.

In response to the unprecedented opportunities in the automotive connector market, GEM Terminal Ind. has successfully established a comprehensive strategic layout spanning from material development to processing technologies:

1. **Key Material Localization and Self-Sufficiency:** Through the production of special-shaped conductor copper materials by Suzhou Jian Tong and Taiwan Jian Tong, the Company is able to precisely meet the specialized specifications required for high-power transmission in new energy vehicles, thereby addressing the long-standing reliance on imported high-cost materials.

2. **Leading Core Technologies:** By utilizing industry-leading milling processing technology, the Company is capable of manufacturing high-performance terminals without generating residual internal stress, thereby ensuring near-zero failure risk under high-voltage operating environments.

3. **Certification by Top-Tier Customer Systems:** GEM Terminal Ind. has implemented the IATF 16949 and VDA 6.3 management systems for many years and has established long-term and stable cooperative relationships with leading global automotive connector manufacturers, such as TE Connectivity, with shipment performance continuing to grow steadily.

Looking ahead to 2026, as the construction of charging infrastructure in the Asia-Pacific region reaches its peak and the application of automotive semiconductor components (IGBT/SiC) becomes increasingly widespread, GEM Terminal Ind. will continue to optimize production automation and expand the application scope of special-shaped conductor materials in high-voltage connectors, thermal management components, and high-power fuses. Through technological innovation and close collaboration with global Tier 1 customers, the Company will continue to strengthen its market share within the core electric vehicle supply chain and achieve long-term business growth.

4. Competitive Niche

The quality, yield rate, production efficiency, pricing, and completeness of specifications for terminals have become key factors for global manufacturers in selecting suppliers. GEM Terminal Ind.'s competitive advantages are built upon a dual-track strategy consisting of "precision technologies for traditional terminals" and the "transformation toward special new copper materials." Traditional terminal products maintain market leadership and stable cash flow through patented manufacturing processes and highly automated production systems. Meanwhile, the Company's special new copper materials business breaks the long-standing dominance of European and Japanese manufacturers by achieving material self-sufficiency and vertical integration, while precisely addressing the demands of high-end applications such as AI servers and new energy vehicles. This strategic positioning enables the Group to maintain stable profitability even under volatile market conditions.

(1) Marketing:

Regulatory Transition and Market Share Expansion for Traditional Terminals: GEM Terminal Ind. has long cultivated its proprietary “GEM” brand and obtained certifications in multiple countries worldwide. In response to the mandatory implementation of insulated terminals under China’s GB 1002-2024 standard, the Company has demonstrated strong technological leadership advantages. Leveraging its independently developed patented “one-shot injection molding” technology, the Company not only surpasses the industry’s commonly adopted secondary processing methods in terms of product structural stability and electrical conductivity quality, but also achieves a highly competitive cost structure through process simplification. This strategic advantage of “leading technology with superior cost efficiency” enables the Company to precisely enter the supply chains of major electrical appliance brands during the regulatory transition period, accelerate market share expansion, and transform policy-driven changes into tangible revenue growth momentum.

With respect to its new special new copper material products, GEM Terminal Ind. is currently the only leading manufacturer in Taiwan possessing comprehensive R&D and casting production capabilities for “special new copper materials.” Through vertical integration covering raw material smelting, continuous casting, and precision special-shaped conductor processing, the Company enjoys advantages in highly customized production and extremely short development lead times, enabling it to respond rapidly to the stringent requirements of advanced industries such as AI servers, high-voltage systems for new energy vehicles, and semiconductors. Leveraging its proven track record in product quality and supply stability, the Company has successfully replaced customers’ previously imported materials. This achievement not only strengthens customers’ supply chain resilience, but also elevates the Company’s position from a component supplier to a key provider of high-end material solutions.

(2) Product Development:

- A. Continue to align with market demand from AI servers, 5G communications, and the semiconductor industry by developing ultra-performance copper materials, rolled copper foils, and high-performance special-shaped conductor copper materials. The Company will also redesign next-generation processing equipment to shorten development cycles and ensure stable quality, thereby creating high-technology-barrier profit niches.
- B. In response to the high-voltage platform requirements of new energy vehicles and the stringent standards of IATF 16949, the Company will leverage its industry-leading precision milling technologies to actively develop highly conductive special-shaped conductor materials for automotive connectors, IGBT semiconductor components, and thermal management modules. These products are designed to ensure zero residual internal stress, thereby securing greater market share among global Tier 1 automotive manufacturers.
- C. In response to the new regulations under China’s GB 1002-2024 standard, Japan’s PSE standard, and Australia’s SAA standard, the Company will fully promote the production and sales of its “integrated semi-insulated” series plug terminals. By leveraging its patented “one-shot molding” technology to replace conventional secondary processing methods, the Company can significantly shorten production processes, reduce costs, and improve product quality consistency, thereby successfully capturing opportunities arising from the global transition in safety regulations.
- D. Accelerate the enhancement of intelligent manufacturing and process efficiency by introducing full online dimensional inspection systems, CCD automatic sorting technologies, and eight-station high-speed cutting technologies. In addition, the Company will optimize deep drawing and necking processes to increase production capacity by more than threefold. Through automated assembly and monitoring systems, dependence on manpower can be reduced while effectively improving per capita productivity and overall production efficiency.
- E. Deepen material vertical integration and import substitution strategies by continuously developing low-cost hollow copper rods, phosphor bronze substitute materials, and wire harness products to replace imported components. In line with the RoHS 2.0 trend, the Company will further expand the development and production capacity of environmentally friendly ultra-low-lead products, thereby optimizing the Group’s profit structure and strengthening supply chain resilience.
- F. Transform toward the development of high-value-added products and specialized niche materials by integrating the Taiwan plant’s advantages in special new copper material casting technologies. The Company will develop products such as special-shaped copper busbars and drawn copper rods to expand into new application markets, while striving to transform from a traditional component supplier into a provider of high-end precision materials and integrated solutions.

(3) Production Process:

With respect to the production processes of traditional terminals, GEM Terminal Ind. possesses integrated professional manufacturing capabilities covering product development, mold design and manufacturing, copper smelting, stamping forming, injection molding, automatic lathe operations, multi-station integrated machinery operations, electroplating operations, and automated assembly processes. With respect to the production processes of the Company’s new special new copper material products, the Company provides highly customized manufacturing capabilities, encompassing development, mold design and manufacturing, casting, extrusion, drawing, rolling, annealing, milling, slitting, and other diversified processing equipment and technologies. From a manufacturing process perspective, production capability is a critical factor in controlling production costs and maintaining product quality. In response to rising labor costs and increasing competitive pressure, the Company has successfully overcome various automation technology bottlenecks in its manufacturing processes. Since 2013, the Company has comprehensively implemented automated production

systems to accelerate the reduction of labor requirements, improve per capita productivity, stabilize product quality, expand production capacity, and enhance overall competitiveness.

5. Favorable and Unfavorable Factors of Development Prospects and Countermeasures

(1) Favorable Factors

- A. In terms of our own brand and its relevance, our company has been marketing our self-created brand "GEM" worldwide since its establishment, and it has been widely recognized by the market and customers. As terminal products are essential components for power cables and various electronic devices, their applications are extensive, and the market lifecycle is long. With the continuous growth in global electronic communication demand and steady demand for electrical plugs, our products are in demand and have a promising outlook.
- B. In terms of expanding sales, our company has a robust business marketing network. Our products have excellent quality that meets international industry standards. They have obtained certifications from respected organizations such as UL (United States), CSA (Canada), and BSI (United Kingdom). Additionally, our newly developed British plug support products, manufactured using our self-smelting C2800 optimized environmentally friendly lead-free copper alloy, have been approved by customers and meet the requirements of TUV certification from TÜV Rheinland in Germany, complying with EU environmental regulations.
- C. Our production flexibility is high. Besides maintaining long-term stable cooperative relationships with customers, we are dedicated to developing new products and technologies to meet the growing demands of our customers' performance, thereby maintaining long-term partnerships.
- D. Our technological research and development have made significant advancements in recent years. We have achieved major breakthroughs in both new product development and production technology, gaining recognition for product quality from advanced nations. We hold multiple patents in multiple countries, establishing our leading position in the market.
- E. As the largest professional manufacturer of electrical plug terminals in the country, our company possesses mature production technology and has introduced advanced technology and automated production equipment to enhance production efficiency and reduce production costs. In addition, to improve operational performance, we have implemented Enterprise Resource Planning (ERP) systems to effectively utilize and integrate company resources, reduce labor costs, and enhance management and decision-making effectiveness.
- F. In response to downstream customer relocation, our company has established production bases in DongGuan and SuZhou in China, as well as in Vietnam, fully integrating our human resources.
- G. Leveraging its leading special new copper material technologies, GEM Terminal Ind. has mastered both "milling" and "rolling" technologies, achieving "vertical integration" and "import substitution" while breaking the long-standing dominance of overseas suppliers. The Company is capable of providing highly customized products and rapid development services to meet the stringent requirements for high-conductivity and high-thermal-conductivity materials in heavy electrical equipment and AI server thermal management applications.
- H. The Company possesses a patented "one-shot molding" technology for China GB-standard insulated terminals, which not only exceeds industry standards in technical specifications, but also offers significant cost competitiveness advantages.

(2) Disadvantage Factors

- A. In recent years, due to the volatile fluctuations in international raw material prices (such as copper and plastic) and the pressures of market competition, the control of costs and the timely transfer of selling prices are crucial. Failure to respond promptly and accurately may result in a decline in gross profit margins and inventory losses due to price depreciation.

Corresponding Strategies:

- (A) Reduce inventory levels across the Group and its subsidiaries while maintaining minimum inventory thresholds, in order to achieve the optimal balance between production management and sales operations throughout the Group.
 - (B) Strengthen the management of material costs by integrating procurement and sales information, adjusting sales strategies, and expanding economic production capacity. This will effectively reduce production costs, enhance competitiveness, increase revenue, and maximize company profits.
 - (C) Improve the effective control of inventory levels and sensitivity to changes in international economic conditions, particularly in copper material prices, in order to reduce copper procurement costs and gain a competitive advantage.
 - (D) Implement management transformation to effectively improve yield and utilization rates.
- B. Due to the impact of the global economic environment, international copper raw material prices are subject to significant fluctuations influenced by currency supply policies of various countries, making procurement costs difficult to control.
- Corresponding Strategies:
- By understanding and analyzing the global economic situation and competitive environment, we aim to enhance risk management capabilities and strengthen the rapid integration of resources of the Group across various regions. This will improve management performance and enable us to innovate, adapt quickly, and find ways to lower production costs even in challenging times. Our ultimate goal is to achieve sustainable business operations, consistent growth, and profitability.

C. In recent years, there has been a severe labor shortage and high employee turnover rate in coastal areas in China. The basic wages have been continuously rising, leading to a constant increase in labor costs, which has affected the company's profitability.

Corresponding Strategies:

- A) Continue to adopt comprehensive automation equipment in production to reduce reliance on manpower, enhance the capacity and utilization rate of automation equipment, and lower unit labor costs to generate profit.
- B) Establish manufacturing facilities in Vietnam to expand our presence in the ASEAN market consisting of ten countries plus one, thus reducing the reliance on Chinese employees.
- C) Develop products that can streamline processes or improve production efficiency to replace existing products, aiming to reduce the demand for manpower.

(2) Important Use and Manufacturing Processes of Main Products

1. Terminal products are classified into three main categories based on their applications: electronic communication terminals, electrical plug terminals, and automotive wheel industry terminals.

A. Electronic communication terminals: These are used in various electronic communication products, such as telephone communication terminals, wiring terminals, etc.

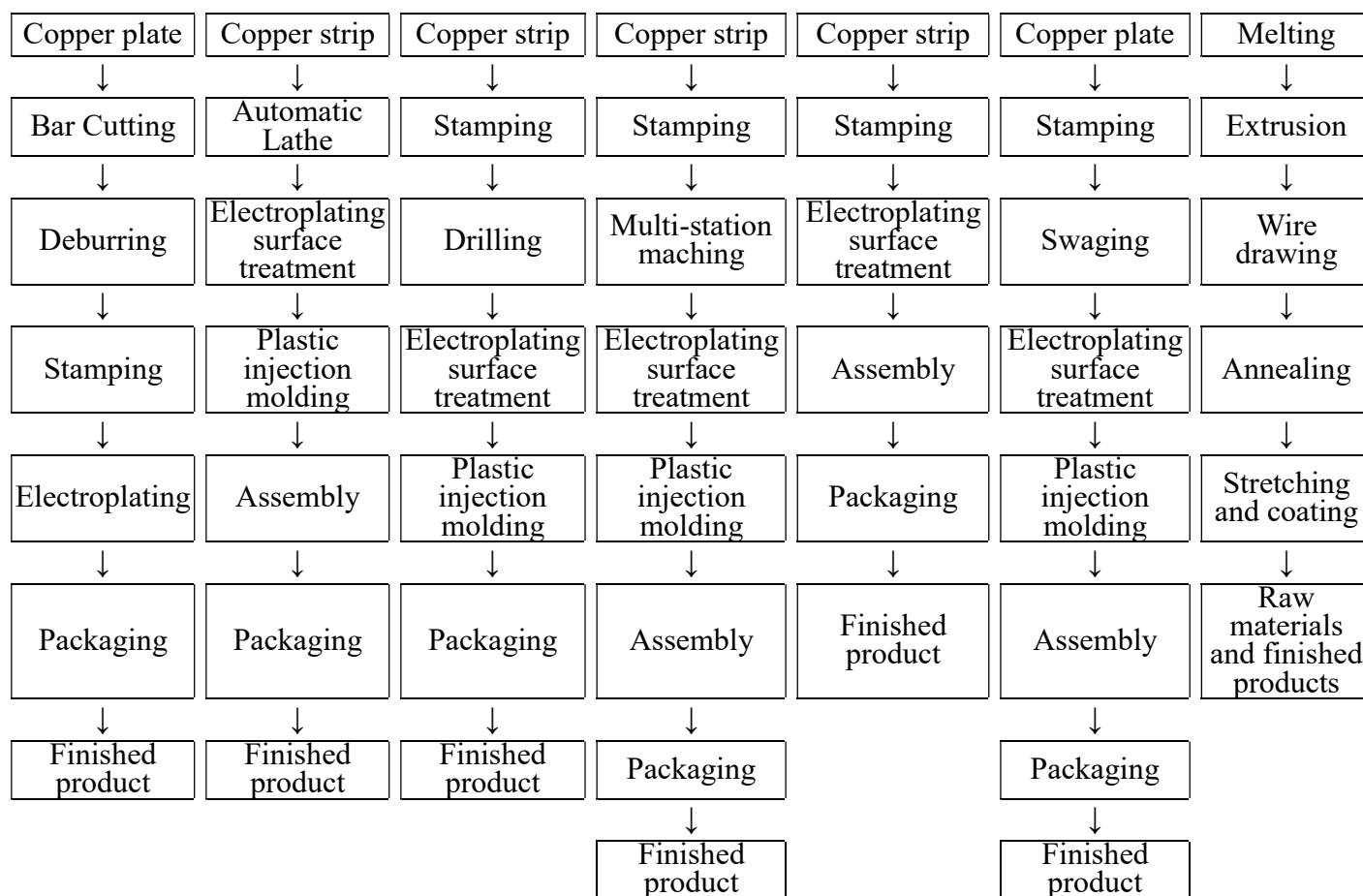
B. Electrical plug terminals: These terminals are supplied for AC power plugs and sockets used in various electrical products worldwide, such as computers, household appliances, etc.

C. Automotive wheel industry terminals: These terminals are supplied for DC power connections in vehicles worldwide, including connectors for automobiles and motorcycles, spark plugs (with platinum contacts), and various connecting terminals for instruments.

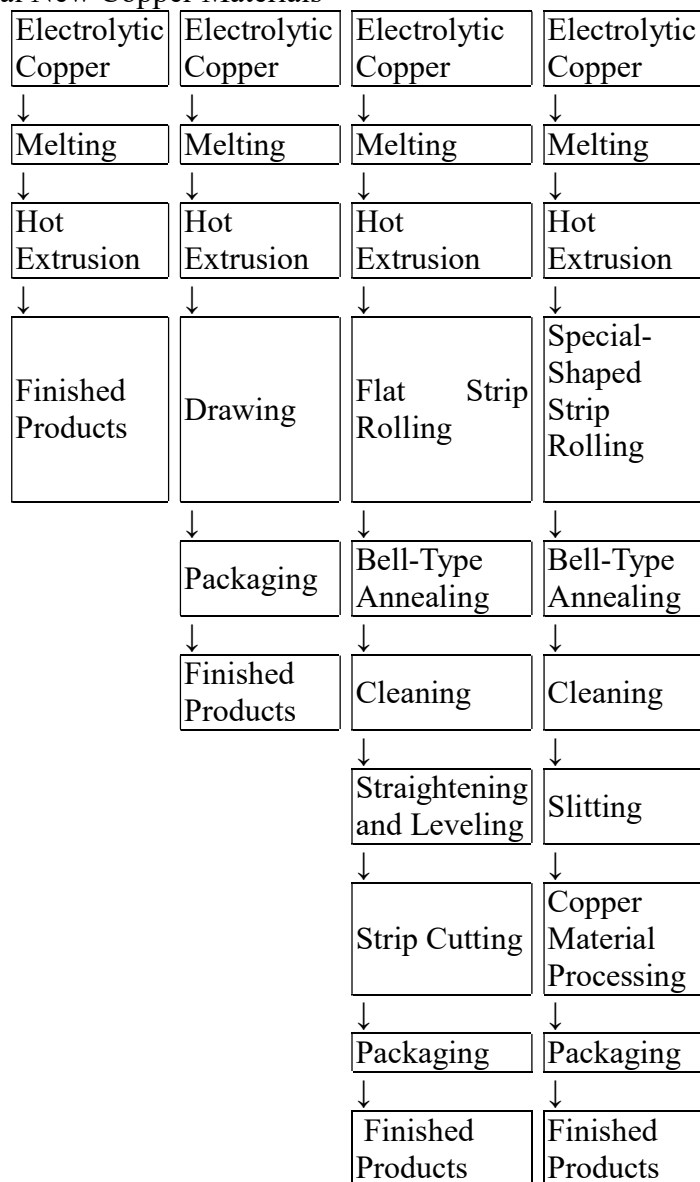
2. Special new copper material products, with principal products including: high-conductivity copper busbars, special-shaped conductor copper materials, flat copper materials, fine-grain copper rods, oxygen-free rolled copper foils, micro-channel thermal management copper materials, and various other special new copper materials.

3. Manufacturing Processes of Main Products

A. Terminals:



B. Special New Copper Materials



(3) Quality of Supplied Main Raw Materials

The main raw materials for terminals in our company and its subsidiaries are electrolytic copper, brass sheets, copper strips, and engineering plastics, all of which are internationally traded commodities with stable supply. To ensure smooth production and mitigate procurement risks, our company and its subsidiaries purchase copper raw materials from different suppliers.

(4) The name of the suppliers (clients) and the amount and Information on the company's main suppliers for the past two years:
Unit: NT\$ thousands

	2024				2025				As to 2026 First quarter			
Item	Name	Amount	As % of total net procurement	Relation to the Company	Name	Amount	As % of total net procurement	Relation to the Company	Name	Amount	As to 2023 First quarter % of total net procurement	Relation to the Company
1.	Supplier A	910,545	46.31	-	Supplier A	771,659	34.03	-	Supplier A	190,097	26.23	-
2.	Supplier C	306,017	15.57	-	Supplier C	345,037	15.22	-	Supplier E	125,656	17.34	-
3.	Supplier E	280,139	14.25	-	Supplier E	284,195	12.53	-	Supplier C	92,846	12.81	-
4.	Other	469,326	23.87	-	Supplier F	228,530	10.08	-	Supplier F	88,981	12.28	-
5.					Other	638,058	28.14		Other	227,029	31.34	-
	Total net procurement	1,966,027	100.00		Total net procurement	2,267,479	100.00		Total net procurement	724,609	100.00	

Note 1: List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the company is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Explanation: 1. Net purchases from Supplier A and Supplier E in 2025 decreased compared with 2024, mainly due to reduced market demand for products and quality issues, which resulted in lower procurement volumes.
2. Supplier F mainly experienced increased demand for its supplied raw material products.

2. Customers that accounted for at least 10% of annual consolidated net revenue in recent two years

Information on the company's main clients for the past two years:

Unit: NT\$ thousands

	2024				2025				As to 2026 First quarter			
Item	Name	Amount	As % of total net Revenue	Relation to the Company	Name	Amount	As % of total net revenue	Relation to the Company	Name	Amount	As to 2023 First quarter % of total net revenue	Relation to the Company
1.	Customer A	291,323	9.14	-	Other	3,171,773	100	-	Customer A	171,927	15.21	-
2	Other	2,896,813	90.86	-				-	Other	958,708	84.79	-
	Total net revenue	3,188,136	100		Total net revenue	3,171,773	100		Total net revenue	1,130,635	100	

Note 1: List all customers accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each. If the company is prohibited by contract from revealing the name of a customer, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Explanation: 1. In 2025 and 2024, no revenue from any single group customer accounted for more than 10% of the consolidated company's net operating revenue.

2. As of the first quarter of 2026, due to the Company's active promotion of special new copper material products and the strengthening of its long-term cooperative relationship with Customer A, the customer's order volume increased significantly, resulting in a higher proportion of sales contribution.

III. Employees: the number of the employees, average length of service, average age and educational background distribution ratio in the last two years and as of the date of publication of the annual report

Unit: people

Year		December 31,2024	December 31,2025	As of April 30, 2026.
Number of employees	Staff	345	324	301
	Operator	953	895	812
	Total	1298	1219	1113
Average age		35.4	35.6	35.7
Average years of service (year)		5.6	5.5	6.0
Distribution of Educational Background (%)	Ph.D.	0.0%	0.0%	0.0%
	Master	0.5%	0.7%	0.6%
	College	22.3%	21.5%	22.1%
	High School	20.0%	22.8%	23.9%
	Below High School	57.2%	55.0%	53.4%

IV. Information of Expenditure for Environmental Protection

(1) In the latest fiscal year and up to the date of printing this annual report, losses incurred due to environmental pollution (including compensation and findings of violations of environmental protection regulations) should be disclosed. The disclosure should include the date of disciplinary action, reference number of the disciplinary action, specific provisions violated, nature of the violations, and details of the disciplinary measures imposed. Additionally, the estimated amounts and mitigation measures for current and potential future incidents should be disclosed. If it is not possible to provide a reasonable estimate, the fact of such inability should be explained:

1. (1) The production processes of the company involve electroplating, and due to our strong commitment to environmental protection, we have incorporated wastewater treatment and air pollution control facilities into our plant design. The company have also complied with relevant regulations by hiring qualified wastewater treatment personnel and acquiring inspection equipment. In 2015, we invested in wastewater treatment and production line upgrades to reduce environmental pollution and minimize our impact on the environment. We have implemented testing for material savings in production lines and have achieved wastewater treatment that allows for recycling, thereby reducing wastewater discharge. The company obtained various environmental permits in the fiscal year 2024.
- (2) Through internal education, training, and auditing operations, the company conducts self-testing and inspections within the factory premises to ensure compliance with emission standards as required by regulations.
- (3) For the disposal of waste, we engage professional and qualified waste management companies to comply with the Waste Disposal Act.
- (4) In line with the global green and environmental protection trends, as well as our commitment to corporate social responsibility and sustainable operations, our group adheres to the environmental concept of "complying with laws and regulations and preventing environmental pollution." We have collectively pursued the implementation of the ISO 14001 environmental management system since 2012 and obtained certification in 2013. The ISO 14001 series of standards were developed by the International Organization for Standardization (ISO) in response to the increasing severity of global environmental pollution and ecological damage, including ozone layer depletion, global climate change, and the loss of biodiversity. These standards were created to meet the needs of international economic and trade development while addressing environmental protection.
- (5) As responsible global citizens committed to green and environmental practices, the company have implemented the IECQ QC080000 quality activities driven by our management team. We produce green products without hazardous substances and have established a product quality assurance system that complies with international standards and customer requirements. Through these measures, we aim to protect the Earth's environment and achieve outstanding product quality. We started implementing these activities in 2012 and obtained certification in 2013.

- (6) The governments of China and Vietnam have been actively promoting environmental governance in recent years. Our subsidiary companies, GEM in Taiwan, GEM Dongguan, GEM Suzhou, and GEM Vietnam, have undergone wastewater treatment process improvements and now meet the emission standards.
- (7) China continues to conduct rigorous environmental inspections, and non-compliant companies will be forced to shut down. GEM has consistently met the emission standards and has further implemented zero wastewater discharge facilities to comply with the strictest emission standards.
- (8) Starting from 2016, the company have taken further steps to reduce waste through the comprehensive reform of the electroplating production lines across our group. This reform was completed in 2019, effectively reducing industrial wastewater generation.
- (9) Losses incurred and penalties imposed on the Company due to environmental pollution in the most recent fiscal year and up to the date of publication of this annual report (including compensation liabilities and violations of environmental protection regulations identified through environmental inspections): None.

2. Corresponding Strategies

- (1) Continue to strengthen the in-house testing and inspection operations to ensure that wastewater emissions comply with regulatory standards and minimize the occurrence of any abnormal incidents.
- (2) Enhance the daily waste recycling efforts and improve waste sorting practices to maximize the reuse of valuable resources and reduce waste volume.
- (3) Implement stricter controls and centralized management for the disposal of waste oil, oil-soaked rags, fluorescent lamps, and toner cartridges, entrusting the collection and recycling tasks to nationally certified recycling companies.
- (4) In the Suzhou plant, the company have made continuous investments in zero wastewater discharge facilities for industrial wastewater treatment, aiming to recover and reuse as much wastewater as possible. All installations have been completed and are currently operational.

3. Future Potential Expenditures

The company's projected annual environmental expenditures for the next two years are estimated to be approximately NT\$20 million per year. These expenditures will mainly be allocated towards: (1) Certification expenses for environmental management system ISO 14001 and quality management system QC080000. (2) Engaging professional and legally compliant waste management companies to handle various types of waste generated during the production process, including sludge, high-concentration wastewater, and investing in improvements to wastewater treatment equipment and wastewater recycling facilities. (3) Implementing centralized treatment and recycling of domestic wastewater, starting from collection and processing in sewage reaction tanks, followed by further treatment in wastewater treatment facilities. (4) Recycling of waste oil, oil-soaked rags, fluorescent lamps, and toner cartridges by nationally certified and qualified recycling companies. (5) Continuously increasing the capacity of wastewater treatment facilities to comply with the zero wastewater discharge requirements mandated by environmental regulations in China, and successfully reused a significant amount of wastewater acquired from the electroplating process upon treatment in these facilities.

5. Labor-Employer Relation

- (1) State employee welfare measures, advanced study, training, retirement system, implementation of retirement system, agreements between the employer and the employees, and measures for protection of employees' rights and interests:
 1. Welfare measures of the employees:
 - (1) The company has established an Employee Welfare Committee responsible for the monthly allocation of employee welfare funds in accordance with the Employee Welfare Fund Act. The committee oversees the planning and management of employee welfare programs, which include:
 - A. Birthday bonuses and occasional distribution of gifts or vouchers
 - B. Employee scholarships for children's education
 - C. Regular organization of health check-ups
 - D. Annual domestic travel opportunities (1-2 times per year) and occasional subsidies for overseas travel

(temporarily suspended due to the pandemic, replaced with gift vouchers or items)

E. Marriage subsidies

F. Funeral subsidies

G. Maternity subsidies

H. Hospitalization subsidies

I. Medical allowances

J. Weekly healthcare services by Specialist in Occupational Medicine and quarterly on-site health services

(2) Beside the welfare provided by the Employee Welfare Committee, the company has established regulations for the distribution of year-end bonuses and employee stock options and dividends to enhance employee benefits. Furthermore, all employees are covered by group life insurance, accident insurance, medical insurance, and commercial insurance for overseas business or travelling trips. Additional subsidies are also provided for marriage, funeral, and celebratory events.

(3) The company has an Arts and Culture Center that provides employees with space for rest and recreational activities, promoting physical and mental well-being. Additionally, subsidiary companies, GEM Dongguan, GEM Suzhou, and GEM Vietnam, have employee facilities such as cafeterias, recreational lounges, basketball courts, and welfare shops, ensuring the provision of essential amenities for a better quality of life.

2. Continuing Education and Training

Our company places great importance on talent development as it is our most valuable asset. We are committed to providing comprehensive education and training within the respective professional fields, aiming to cultivate a workforce with diverse skills and abilities. Since our establishment, we have embraced the concept of lifelong learning and career development for our employees. We actively participate in job fairs organized by schools and government institutions, actively recruit talented individuals, and strive to enhance the quality of our workforce. By doing so, we aim to cultivate a strong and competent management and technical team, ultimately creating an optimal business environment for our company.

(1) The company have established the "GEM Group Human Resources Education and Training Management Regulations" to govern our education and training programs.

(2) The company have implemented the "Employee Overseas Training Management Regulations" which allow employees to participate in periodic overseas training programs.

(3) The company offers a diverse range of pre-employment and on-the-job training courses, along with a comprehensive training system that allows employees to expand their career competencies and enhance work efficiency.

(4) The company engage professional instructors to provide guidance and conduct on-the-job training, enabling each employee to surpass their potential and acquire relevant professional knowledge, technical skills, and managerial analytical capabilities.

(5) In the fiscal year 2025, the company and its subsidiaries participated in internal and external education and training programs related to corporate social responsibility, integrity in business operations, and operational risk overview. The courses covered various topics, including corporate social responsibility, compliance with laws and regulations, operational risk overview (including strategic risk, operational risk, financial risk, compliance risk, information security risk, and climate risk), accounting systems, internal controls, and more. The performance statistics are presented in the table below:

Company	In-house training programs	In-house training		External training		Total training expenses
		Man-hours	Number graduated	Man-hours	Number graduated	
The company	61	667.5 hours	296 people	1,463 people	107 people	NT\$754,623
GEM Dongguan	84	2,434 hours	1,275 people	16 people	2 people	RMB600
GEM Suzhou	407	9,445.5 hours	1,303 people	250 people	41 people	RMB10,640
GEM Vietnam	2739	4,209 hours	2,804 people	0 hour	0 people	-

(6) The following are the names, number of participants, and duration of the in-house training courses (including training for new employees):

Serial No.	Course Name	Number of Participants	Duration
1	Equipment Operation and Various Parameter Adjustments	7	112
2	MOORE Jig Grinder	1	52
3	2025 Sustainability Report	10	40
4	Production Operations and Precautions	9	72
5	External Cylindrical Grinding Machine Operation – Special Rolling	4	32
6	First Aid and CPR Training Course	15	30
7	OEE (Overall Equipment Effectiveness) Training	19	28.5
8	Practical Writing and Application of 8D Reports	27	27
9	Extrusion Wheel Replacement	3	24
10	Roll Maintenance, Assembly Maintenance, and Roll Replacement Operations	4	32
11	Rolling Mill-Related Theoretical Courses	3	16
12	Equipment Operation (Including Spectrometer) and Various Parameter Adjustments	2	16
13	Production Orders, Various Form Processing, and Material Issuance/Warehousing Operations	4	16
14	Production Order Form Processing and Material Issuance/Warehousing Operations – Hot Extrusion	3	12
15	Mold Polishing and Assembly – Hot Extrusion	3	12
16	Introduction to the Personal Data Protection Act	11	11
17	TTB Tool Processing Machine	1	9
18	Fishbone Diagram	9	9
19	Upward Casting Furnace-Related Theoretical Courses	2	8
20	Emergency Response Procedures for Water and Power Outages	2	8
21	Gang Tool Arrangement and Tool Assembly Operations	1	8
22	Crystallizer Manufacturing – Upward Casting Furnace	2	8
23	Production Order Form Processing and Material Issuance/Warehousing Operations – Upward Casting Furnace	2	8
24	Extrusion Machine-Related Theoretical Courses	2	8
25	5WHY Analysis	6	6
26	Occupational Safety and Health	5	5
27	Explanation of Revisions to ISO 14001, QC080000, and Procedure Manuals	9	4.5
28	Case Studies on Stamping Die Improvements	9	4.5
29	Management of Personal Data Protection	11	7.5
30	Production Order Form Processing and Material Issuance/Warehousing Operations – Drawing	1	4
31	Slitting Machine-Related Theoretical Courses	1	4
32	Drawing Machine-Related Theoretical Courses	1	4
33	Handling, Storage, and Packaging Operations	1	4
34	Mold Polishing and Assembly – Drawing	1	4
35	Presentation Preparation, Reporting, and Exhibition Skills Training	4	4
36	ISO 14001 + IATF 16949 + QC080000	5	5
37	Warehouse Management Operations / Packaging and Delivery Management Operations	3	3
38	Handling Protection and Preservation Management Operations / Scrap and Waste Material Disposal Management Operations	3	3
39	Key Considerations for Integrated Design of Stamping and Plastic Products	5	2.5
40	Stamping Die Design Specifications	4	2
41	Process Operations / Production Scheduling Management Operations	2	2
42	2025 Technical Assessment	79	0

External training :

Serial No.	Course Name	Number of Participants	Duration
1	Second Quarter Annual Seminar on Updates to Regulations, Corporate Governance, and Enterprise Risk Consulting	8	28
2	Occupational Safety and Health Training for Supervisors of Specific Chemical Substance Operations	1	8
3	Practical Procurement Operations: From Fundamentals to Professional Excellence	3	18
4	In-Service Training for Fixed Crane Operators	4	12
5	Continuing Education Program for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges	1	12
6	Kaohsiung Session – Greenhouse Gas Management Practical Workshop and Sustainability Promotion Seminar	1	9
7	Deloitte Taiwan 2025 First Quarter Regular Seminar	2	8
8	Moving Toward Vietnam: Exploring Market Potential Seminar	2	7
9	Corporate Foreign Exchange Hedging Seminar	3	6.5
10	Key Considerations and Practical Analysis for “Shareholders’ Meetings” and “Board Meetings”	1	6
11	Key Topics Every Finance and Accounting Executive Should Know – First Half of 2025 Special Seminar	2	6
12	Generative AI × Python Web Crawling Practice and Visualization Analysis	1	6
13	How to Strengthen Audit Operations Through Big Data	1	6
14	Practical Audit Seminar on Annual Business Planning and Budget Preparation	1	6
15	Fire Safety Manager Refresher Training 2025	1	6
16	Practical Wastewater Treatment Management Course for Surface Treatment Industries	1	6
17	Refresher Training for First Aid Personnel	2	6
18	Talent Retention Strategies: AI-Enhanced Solution Design Challenges	1	6
19	Explanations of Labor Leave Dispute Cases and Analysis of Common Legal Practices and Precedents	1	6
20	2025 Customs Clearance Service Seminar (Taipei Session)	2	5
21	2026 ESG Evaluation Promotion Seminar (for Listed Companies)	2	5
22	2025 Business Promotion Seminar for Listed Companies	1	3.5
23	2025 Corporate Governance Evaluation Promotion Seminar	1	3.5
24	2025 IFRS Sustainability Disclosure Standards Promotion Seminar	1	3.5
25	Key Topics Every Finance and Accounting Executive Should Know – Second Half of 2025 Special Seminar	1	3.5
26	Industrial Support and R&D Transformation Seminar in Response to U.S. Tariffs	1	3.5
27	2025 Practical Explanations on the Labor Standards Act and Labor Condition Inspections	1	3
28	2025 First General Membership Meeting and Educational Workshop of the TOSHMS Southern Region Promotion Association	1	3
29	Joint Briefing Session on Support Measures in Response to U.S. Tariffs	1	3
30	In-Service Training (Refresher Course) for Forklift Operators	2	6
31	In-Service Education and Training for Forklift Operators Handling Loads Above One Metric Ton	1	3
32	Practical Explanations on the Labor Standards Act and Labor Condition Inspections – Leave Types under the Labor Standards Act	1	3
33	Introduction to Ionizing Radiation and Protective Measures (Refresher Training)	1	3
34	2025 Environmental Permit Integration Promotion Seminar	1	2
35	Key Promotion Seminar on Tax Incentives under the Statute for Industrial Innovation	1	3.5

3. In order to enhance employees' professional skills in environmental protection, public health, and occupational safety, the company also continuously assigns personnel to receive relevant educational training courses. Control and implementation are practiced in daily operations. The details of the relevant courses are as follows:

- (1) In view of the importance of the working environment and employee personal safety protection measures, the company has initiated significant environmental considerations/control of hazardous substances/risk control of occupational health and safety based on the IATF 16949/ISO 14001/QC080000 management system. Through supplier evaluation management, suppliers are confirmed to be qualified for "Environmental Quality Assurance System Inspection and Audit" after ensuring that the raw materials provided meet the restrictions on hazardous substances in RoHS. After each batch of raw materials is delivered, they are tested for toxic substances using ICP and GC/MS bromide detectors. Production can only proceed if it meets the standards. At the same time, the company utilizes proposal improvement goals and project improvement management to prioritize improvements. Lower-risk areas are controlled using operational process management methods. Through effective operational improvements, significant results and control have been achieved. The company summarizes them as follows:

No.	Objective/Target	Plan	Current Status Explanation	Execution Status
1	Punching machine operators are required to wear earplugs, which fully complies with the operating regulations.	Safety improvement plan for punching machine operations.	Due to the noise generated by the machine, it affects the operators' concentration during their work.	Every month, earplugs are regularly purchased and distributed to the punching machine department, accompanied by enhanced education, training, and promotion efforts.
2	Effectively prevent the spillage of general and hazardous sludge (electroplating pollution) onto the road surface.	Improvement plan for the storage of general and hazardous sludge.	The current recycling area lacks protective barriers, which can result in sludge spilling onto the ground and polluting the environment, especially after heavy rainfall.	Install gate barriers and produce hanging signs.
3	Utilize high-capacity material handling machines to reduce raw material waste.	Improve the on-time delivery rate of AC work orders to 99%.	The existing general material handling machines can only handle a weight of approximately 230 kg, requiring frequent material changes and resulting in significant material loss.	Implement five sets of high-capacity material handling machines for production. Achieve an average on-time delivery rate of over 99% for work orders.
4	Utilize high-capacity material fusion machines to reduce raw material waste.	Improve the on-time delivery rate of AC work orders to 99%.	The existing general material handling machines can only handle a weight of approximately 230 kg, making them unable to perform fusion, resulting in frequent material changes and significant material loss.	Implement three sets of high-capacity material fusion machines for production. Achieve an average on-time delivery rate of over 99% for work orders.
5	Thin sheet material fusion machine.	Improve the on-time delivery rate of DC work orders to 99%.	After each production roll of thin sheet material, the tail end of the material needs to be removed, requiring frequent material changes and resulting in significant material loss.	Implement three sets of DC thin sheet material fusion machines for production. Achieve an average on-time delivery rate of over 99% for work orders.
6	Recycling and reusing of paper tapes.	Reduce paper tape waste.	In the current electroplating process, paper tapes are wasted during the material handling process.	Both the electroplating process and high-capacity punching process have incorporated paper tape recycling features to reduce procurement volume.

No.	Objective/Target	Plan	Current Status Explanation	Execution Status
7	Centralized treatment of domestic wastewater for recycling.	Reduce pollution from domestic wastewater discharge.	Currently, domestic wastewater is not centrally treated.	By adding additional equipment, the domestic wastewater will be collected and centralized to the domestic wastewater reactor for treatment before being directed to the wastewater treatment area.
8	Electroplating operators are required to wear rubber gloves and goggles, complying with the safety operating regulations.	Electroplating operation safety plan.	The electroplating chemicals have relatively mild corrosive properties.	The existing electroplating operators must wear plastic gloves and goggles when handling the chemicals to ensure operational safety and compliance with the safety operating regulations.
9	Reduce the temperature in the edge trimming workspace.	Edge trimming workspace temperature reduction plan.	During the summer, the indoor temperature in the edge trimming workspace reaches up to 34°C.	Purchase three large exhaust fans and keep them running during the summer to lower the temperature and reduce discomfort for the personnel.
10	Install exhaust fans in confined space water tanks.	Improvement plan for ventilation in confined spaces.	Only large electric fans are used for ventilation.	Purchase explosion-proof ventilation equipment. When cleaning the water tanks, the equipment must be properly installed and continuously operated for half an hour to ensure proper ventilation and normal oxygen levels before starting the work.
11	Effectively improve the surrounding noise caused by simultaneous operation of punching machine equipment.	Improvement plan for excessive noise from punching machine facilities.	When multiple punching machine equipment operates simultaneously, the individual noise level in that area can reach 90 db, and the surrounding noise can reach 80 db.	Plan and implement soundproofing measures for the punching machine area.
12	Displaying "No Smoking or Open Flame Operations" sign, fully compliant with fire safety regulations.	Safety improvement plan for oil storage operations.	During the extraction of lubricating oils, it is crucial to prevent drips or leaks on the ground, as it poses a fire hazard.	Display "No Smoking or Open Flame Operations" sign.
13	Punching machine operators wearing safety shoes, fully compliant with operating regulations.	Safety improvement plan for punching machine operations.	Safety considerations during the handling of copper materials in the punching machine department.	Purchase safety shoes and enforce their mandatory use by each person in the punching machine department, accompanied by enhanced education, training, and promotion efforts.
14	Reduce the temperature in the punching machine workspace.	Improvement plan for temperature in the punching machine workspace.	During the summer, the indoor temperature in the punching machine workspace reaches up to 34°C.	Purchase eight large water-cooled air conditioners. When the temperature exceeds 30°C in the summer, activate the air conditioners to lower the temperature and reduce discomfort for the personnel.
15	Reduce the temperature in the punching machine workspace.	Improvement plan for temperature in the punching machine workspace.	After the punch cooling machine dissipates heat, the temperature will increase to 34°C.	The punch press cooling machine will be modified into a water-cooling system, with the heat source directed to the outdoors, reducing indoor temperatures and minimizing discomfort caused by heat for personnel.

No.	Objective/Target	Plan	Current Status Explanation	Execution Status
16	Reduce the quantity of paper wheels used.	Paper wheel reduction plan.	Use new paper wheels for packaging of Class 98 and 99 terminal products.	Collect a large number of used paper wheels from clients, recondition them, and reuse them to reduce packaging material costs and promote energy-saving and carbon reduction.
17	Cease the direct use of electric heating tubes to heat the electroplating solution in the plating tanks.	Plan to discontinue the use of electric heating tubes.	The electroplating process requires hot water to heat the solution in the various tanks.	Switch to a centralized hot water heating system, supported by heat pumps, to heat the solution in the tanks using hot water coils. This will reduce the high energy consumption of electric heating tubes and achieve energy-saving and carbon reduction objectives.
18	Ensure the water level in each electroplating solution tank.	Water level control plan.	The water level in each electroplating solution tank needs to be controlled to prevent low water levels.	Switch to using electric heating tubes to heat the solution in the tanks and incorporate level switches to control the water level. When the water level falls below the set value, the power will be cut off through the level switch to ensure the safety of the equipment and personnel.
19	Utilization of energy-efficient lighting fixtures.	Replace the 20W fluorescent lights in the office with energy-efficient lamps.	The previous 20W fluorescent lights in the office consumed a lot of energy and had a short lifespan, which did not align with the trend of environmental protection and energy conservation.	All the fluorescent lights in the office building from the 1st to 4th floor and the administrative department have been replaced with energy-efficient lamps.
20	Set the air conditioning temperature to be above 28°C.	Install temperature labels on all company air conditioning units.	Previously, there was no specific regulation on the air conditioning temperature, resulting in excessively low set temperatures of around 25°C, which led to increased energy consumption.	Temperature labels have been installed on all air conditioning units throughout the company, with a temperature setting of above 28°C.
21	Reduce energy consumption of the air conditioning system in the mold department.	Relocate the 7 oil cooling machines from the mold department to the outside.	Previously, the 7 oil cooling machines were placed indoors in the air-conditioned area, generating heat and increasing the frequency of air conditioning system usage.	The 7 oil cooling machines have been moved outside to reduce heat generation and improve the efficiency of the air conditioning system.
22	Reduce reverse washing time of the office fountain, minimizing water and electricity waste.	Shorten the reverse washing cycle of the office fountain.	Currently, the fountain is reverse washed for 10 minutes every Monday, Wednesday, and Friday, resulting in water and electricity waste.	The reverse washing time has been reduced to 8 minutes every Monday, Wednesday, and Friday, saving water and electricity resources.
23	Utilization of energy-efficient lighting fixtures.	Replace the 500W mercury lamps in the warehouse.	The current 500W mercury lamps in the warehouse consume a significant amount of energy and have a short lifespan, which does not align with the trend of environmental protection and energy conservation.	The 1st and 2nd floors of warehouse have been replaced the mercury lamps with LED lights.
24	Utilization of automatic dosing system for electroplating line.	Reduce the amount of chemicals used in the electroplating line.	Previously, the chemicals were manually added at regular intervals, making it difficult to control the dosage accurately.	An automated dosing system with a preset quantity and timing has been implemented, resulting in savings and reduced waste.

No.	Objective/Target	Plan	Current Status Explanation	Execution Status
25	Utilization of sludge dewatering machine.	Reduce the moisture content of sludge.	The previous outdated dewatering machine had poor performance and high moisture content in the sludge.	A new pressure dewatering machine has been installed, effectively reducing the weight of the sludge and promoting environmental sustainability.
26	Utilization of nickel recycling water circulation system treatment equipment.	Reduce the amount of chemicals used in wastewater treatment.	Previously, chemicals were used for treatment with unsatisfactory results and wastage.	The nickel recycling water circulation system treatment equipment is now employed, effectively treating wastewater containing nickel and meeting the national discharge standard of <0.1. Subsequently, the treated wastewater is reintroduced into the electroplating process for reuse.
27	Heavy metal pretreatment system.	Reduce the amount of chemicals used in wastewater treatment.	Previously, chemicals were used for treatment with unsatisfactory results and wastage.	A heavy metal pretreatment system has been implemented, effectively treating wastewater containing copper/zinc and meeting the national discharge standards: copper < 0.3. Zinc < 1.0.
28	Photocatalytic pretreatment system.	Reduce the amount of chemicals used in wastewater treatment.	Previously, chemicals were used for treatment with unsatisfactory results and wastage.	A photocatalytic pretreatment system is now employed, effectively treating wastewater COD (Chemical Oxygen Demand) and meeting the national discharge standards.
29	Continuous Terminal 2F-9 Tin Mist Plating Line (Trial Production in Progress)	1. Reduce the amount of wastewater for treatment. 2. Save manpower.	Day and night shifts require 8 personnel each. Water consumption for day and night shifts is 30 tons/day (including post-treatment).	If only the day shift operates, 5 personnel are needed. Day shift water consumption is 3-4 tons/12 hours.
30	2F-1~3 Barrel Plating Line, 2F-4~8 Continuous Plating Line (Normal Operation)	Reduce the amount of wastewater for treatment.	Chemical grinding and post-activation stages have separate fresh water supply and overflow.	Modify the process by using rinse water for chemical research and post-activation stages, and collect nickel post-rinse water for these two stages.
31	Save on barrel plating line discharge cooling platform and cooling time.	Reduce cooling time.	The cooling time for the wooden cooling platform can be as long as 20-30 minutes.	Improve the inclined panel by adding perforations and installing exhaust fans at the bottom to remove heat from the product, reducing cooling time to 5-10 minutes.
32	Sludge secondary dewatering machine (currently in use).	Reduce sludge moisture content and weight.	Previously, only primary dewatering was conducted.	After the first dewatering, utilize compressed air injection into the filter plate for secondary pressing, resulting in a decrease in wastewater content by approximately 60-80kg.
33	Sludge dryer (currently in use).	Reduce sludge moisture content and weight.	Previously, there was no drying process after dewatering.	By removing 40-50% of the moisture content, significant reduction can be achieved.
34	Cleaning workshop + 2F-9 centralized heating with hot water (already installed and in use).	Save on electricity costs.	Traditional heating method using electric heating rods requires frequent replacement and maintenance, posing a risk of scorching the tank.	Centralize heating to a stainless steel insulated water tank and circulate heat through coils, ensuring high safety and energy efficiency.

No.	Objective/Target	Plan	Current Status Explanation	Execution Status
35	Complete collection of exhaust gas from the plating workshop to the scrubber.	The workshop exhaust gas is collected using a tunnel-type centralized extraction method, completely directing it to the scrubber for acid-alkali neutralization before discharge.	Previously, only partial extraction was done above the plating equipment, yielding limited results.	With an effective exhaust gas collection system, the gas is fully collected and subjected to acid-alkali neutralization before discharge.
36	Installation of distillation equipment in the wastewater area to reduce wastewater discharge.	By using heat pump heating, vacuum extraction, and increasing the boiling point of water, distillation is carried out to recycle distilled water to the workshop and reduce the amount of heavy metal sludge after the filter press.	Previously, wastewater was directly discharged, resulting in a large volume of sludge.	By using heat pump heating, vacuum extraction, and increasing the boiling point of water, distillation is carried out to recycle distilled water to the workshop and reduce the amount of heavy metal sludge after the filter press.
37	Updating the 2F-7 copper plating equipment to achieve water and energy savings, as well as increased production.	By replacing the old 2F-3 copper plating line with a more water-efficient, energy-saving, and productive system, wastewater discharge can be reduced, and production efficiency and safety can be improved.	The old 2F-3 line had a slow production speed and used hazardous electric heating tubes.	By adopting a more water-efficient, energy-saving, and productive system, wastewater discharge can be reduced, and production efficiency and safety can be improved.
38	Planning the use of heat pumps for heating hot water and acquiring a cold source for air conditioning in the electroplating workshop to directly lower the room temperature. In order to enhance the working comfort of personnel.	By utilizing the heat exchange characteristics of heat pumps, the heat source is used to heat the hot water and raise the working temperature of the electroplating bath solution. The cold source is used for air conditioning, directly lowering the room temperature in the electroplating workshop. In order to enhance the working comfort of personnel.	Previously, it was not installed.	Currently, one set has been installed and is in use. By utilizing the heat exchange characteristics of heat pumps, the heat source is used to heat the hot water and raise the working temperature of the electroplating bath solution. The cold source is used for air conditioning, directly lowering the room temperature in the electroplating workshop. In order to enhance the working comfort of personnel.
39	In response to the environmental protection trend, we have developed environmentally-friendly micro lead-free copper products.	The lead content in the original products has been reduced from within 40,000 PPM to within 1,000 PPM.	Obtained TUV, BSI, and VDE safety certifications.	Currently actively seeking customer approval for promotion, aiming to contribute to environmental protection and fulfill our responsibility to the planet.

(2) Signed a management service contract with a professional vendor to handle factory safety and health services, including the planning and establishment of a labor safety and health organization and system. Conducted employee safety and health education and training, including general education on hazardous and harmful substances. Regularly conducted measurements of environmental safety.

4. Retirement system and its implementation

The company has established an employee retirement policy in accordance with the Labor Standards Act, which covers all regular employees. The provisions regarding employee retirement benefits are explained as follows:

- (1) Our company originally established an employee retirement policy in accordance with the "Labor Standards Act." The payment of employee retirement benefits is calculated based on the length of service (base) and the average salary for the six months preceding the approved retirement date. According to the regulations, our company sets aside 4% of the total employee salaries each month as a provision for employee retirement, which is deposited into a designated account at the Taiwan Bank under the name of the Labor Retirement Reserve Supervisory Committee. In the 2025 fiscal year, a total of NT\$ 2,042 thousand was allocated (including an additional provision of NT\$ 0 thousand).
- (2) The retirement pension system applies the "Labor Retirement Pension Act," where starting from July 1, 2005, 6% of the employee's monthly salary is deducted and deposited into an individual retirement account managed by the Labor Insurance Bureau. In the 2025 fiscal year, the recognized retirement pension cost was NT\$3,969 thousand.
- (3) In addition, our company established the "Retirement Fund Management Committee" in November 2005, responsible for reviewing, supervising, and auditing the allocation, custody, utilization, and distribution of retirement pensions for managerial-level employees and above. In the 2025 fiscal year, no amount was allocated to the retirement account under the "Retirement Fund Management Committee."

5. The situation of agreements between labor and management

Our company has a proposal system in place, which includes incentive guidelines for effective proposals. Each employee has an email inbox, and there is a suggestion box located at the security office. We also regularly hold labor-management coordination meetings and the Employee Welfare Committee. In addition to direct communication with management, employees can provide feedback or file complaints using the suggestion box.

6. Measures to safeguard employee rights and benefits

Our company has established various management systems for personnel employment, salary administration, transfers, promotions, retirement, benefits, and employee performance evaluation. We provide each employee with a "Code of Conduct" handbook to familiarize them with the rules and their rights. This includes procedures for addressing complaints and imposing disciplinary measures related to workplace harassment prevention, along with a written declaration outlining strategies for preventing workplace violence. Dedicated personnel are available to assist in providing relevant information.

7. Development of employee behavior or ethical codes

In addition to establishing a "Code of Ethics for Directors and Executives," which is implemented and reported in the shareholders' meeting after approval by the Board of Directors, we have also established the "Code of Conduct for Employees below Managerial Level." These codes are disclosed in the investor section of our company's website (<http://www.gem.com.tw>) to guide the behavior of our employees in accordance with ethical standards, prevent illegal or unethical conduct, and enhance the understanding of our ethical guidelines by stakeholders.

8. Establishment of internal procedures for handling significant information

Our company has established internal procedures for handling and disclosing significant information in order to prevent inappropriate information leaks and ensure consistency and accuracy in the company's external communications. These procedures have been approved by the Board of Directors and announced to all employees before implementation. The details of these procedures are disclosed on the company's website (<http://www.gem.com.tw>).

- (2) Losses incurred due to labor disputes, including violations of labor standards as determined by labor inspections, shall be disclosed in the recent and current year's reports (including the date of disciplinary action, reference number, violated legal provisions, nature of the violation, and details of the disciplinary measures). The estimated amounts and corresponding measures to address these losses, as well as any cases where a reasonable estimate cannot be determined, should be disclosed: NONE.

In the future, our company will continue to implement improvement measures in compliance with the law. We aim to foster a sense of harmony and unity between labor and management among all employees, cultivating their identification and consensus regarding the company's survival and long-term development. Our company is committed to providing a favorable working environment and effective communication channels, which promote greater care from the management toward employees and foster mutual trust, support, and understanding between labor and management.

6. Cyber security management

(I) Company's Information Security Risk Management Framework, Information Security Policy, Specific Management Plans, and Resources Invested in Information Security Management:

1. Information Security Risk Management Framework:

The Information Technology Department is responsible for information security within the company. It comprises an Information Security Manager and dedicated information security personnel. They are responsible for formulating internal information security policies, planning and implementing information security operations, promoting information security policies, and ensuring that all employees have a strong awareness of information security. The department collaborates with the Audit Department to regularly review information security systems and conduct risk audits, proposing improvement measures to mitigate internal information security risks and achieve effective information security control. In the event of any information security concerns, breaches, or damage, the Information Technology Department conducts preliminary assessments, takes necessary actions to mitigate the situation, contacts relevant equipment vendors for countermeasures. If necessary, incidents are escalated to senior management to initiate the company's emergency response procedures. and reports the incidents to the appropriate authorities.

2. Information Security Policy:

- (1) Avoiding the occurrence of information security threats and minimizing the impact of information security incidents.
- (2) Implementing effective information security management, ensuring the confidentiality of data, and preventing unauthorized access and use.
- (3) Enhancing the availability and redundancy of information equipment and systems to ensure their proper functioning.
- (4) Strengthening education and training to raise overall awareness of information security among all employees, ensuring their clear understanding of their responsibilities and obligations regarding information security policies.

3. Specific Management Plans:

- (1) Establishment of Firewalls: Regular updates of advanced and robust firewall hardware and software to block network attacks and intrusions, providing warning messages and analysis data.
- (2) Implementation of Anti-Virus Systems: Installation of antivirus software on all hardware devices, automatic updates of virus definitions, and reduction of virus invasions through emails and various file types. Implementation of intelligent anti-spam software on the company's mail server system to filter incoming external emails before reaching user mailboxes.
- (3) File and Data Access Control: Implementation of controls on users' file access behaviors. Encryption of important departmental and sensitive data using encryption software to protect data in the event of system breaches or data leaks.

- (4) System Data Backup and Recovery: Virtualization of critical servers for uninterrupted system operation and comprehensive backup mechanisms to ensure system data can be restored in case of server failure or unforeseen circumstances.
 - (5) Establishment of a Security-Aware Culture: Education and training for new employees upon their onboarding to emphasize the importance of information security. Regular dissemination of information security updates and guidelines to all employees.
4. Resources Invested in Information Security Management:
- (1) Hardware firewall for monitoring internal network security.
 - (2) Anti-virus software for servers and client devices.
 - (3) SPAM SQR comprehensive email filtering platform.
 - (4) Automated electronic file data encryption and protection software.
 - (5) High availability and reliability virtualization software.
 - (6) Leading virtual and physical server backup software.
 - (7) Regular replacement of aging hardware devices that have reached their service life.
 - (8) Well-constructed data center infrastructure with necessary power and air conditioning equipment.
 - (9) Acquisition of legally licensed software.
- (II) Losses incurred, potential impacts, and response measures due to significant information security incidents in the company's most recent fiscal year and up to the date of the annual report printing:
- On April 1, 2026, the Company's virtualized host system was attacked by ransomware, resulting in the encryption and infection of certain hosts and causing the data stored on the virtualized host systems to become encrypted and inaccessible.
- The impact of this cybersecurity incident extended beyond the encryption of the hosts themselves, as the existing backup system data was also simultaneously encrypted, making it impossible to restore data through the existing recovery mechanisms.
- Subsequently, the information technology department completed preliminary emergency response measures, successfully contained the spread of the ransomware, and entered the stages of system and data recovery. At the same time, additional protective measures were implemented to prevent secondary attacks. The follow-up response measures are as follows:
- (1) Implement an Endpoint Detection and Response (EDR) system.
 - (2) Establish immutable and offline backup mechanisms, as well as multi-site offsite backups.
 - (3) Implement Multi-Factor Authentication (MFA).
 - (4) Strengthen network security and access controls.
 - (5) Engage external cybersecurity consulting services.
 - (6) Enhance employees' cybersecurity awareness and provide cybersecurity education and training.
 - (7) Conduct backup recovery drills and practical verification to ensure the availability and integrity of backup data.
- Detailed information security improvement plans were reported to the Board of Directors on May 13, 2026. This incident did not have any material impact on the Company's overall operations or result in any material losses. The Company also reported the incident to the competent authorities and made a material information disclosure in accordance with applicable laws and regulations.

7. Important contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Loan Agreement with Bank	The Export-Import Bank of the Republic of China	July 5, 2023 to July 5, 2028	Medium to Long-Term Credit Agreement	None
	Bank of Taiwan	October 27, 2023 to October 27, 2028	Medium to Long-Term Credit Agreement	None
	Hua Nan Bank	June 19, 2023 to June 19, 2028	Medium to Long-Term Credit Agreement	None
	Bank of Shanghai	June 8, 2023 to June 8, 2026	Medium to Long-Term Credit Agreement	None
		November 12, 2024 to November 12, 2027	Medium to Long-Term Credit Agreement	None
	Chang Hwa Bank	March 8, 2024 to March 8, 2029	Medium to Long-Term Credit Agreement	None
	Mega Bank	August 22, 2022 to August 22, 2027	Medium to Long-Term Credit Agreement	None
		March 22, 2024 to March 22, 2029		
		November 28, 2028 to November 28, 2032		
		January 8, 2026 to January 8, 2033		
Equipment Procurement Contract	Supplier A	January 12, 2026~ Delivery Date	Procurement of Machinery Equipment	None
	Supplier B	January 13, 2026 ~ Delivery Date	Procurement of Machinery Equipment	None
	Supplier C	January 15, 2026 ~ Delivery Date	Procurement of Machinery Equipment	None
	Supplier D	June 5, 2025~ Delivery Date	Procurement of Machinery Equipment	None
	Supplier E	October 21, 2025~ Delivery Date	Procurement of Machinery Equipment	None
	Supplier F	December 25, 2025~ Delivery Date	Procurement of Machinery Equipment	None
Raw Material Procurement Contract	Supplier A	March 01, 2025 ~ Delivery Date	Procurement of Raw Material	None
	Supplier B	March 01, 2025 ~ Delivery Date	Procurement of Raw Material	None
	Supplier C	March 01, 2025 ~ Delivery Date March 01, 2025 ~ Delivery Date	Procurement of Raw Material	None
Engineering Contract	Supplier A	November 15, 2022 ~ Delivery Date	Engineering	None

V. Financial condition and review analysis of financial

performance and risk factors

i. Financial Condition

Unit: NT\$ thousands

Item \ Year	End of 2025	End of 2024	Difference	
			Amount	%
Current assets	2,840,097	3,158,527	(318,430)	(10.08)
Property, plant and equipment	1,845,525	1,875,320	(29,795)	(1.59)
Other assets	286,948	322,106	(35,158)	(10.92)
Total assets	4,972,570	5,355,953	(383,383)	(7.16)
Current liabilities	2,950,090	2,675,435	274,655	10.27
Non-current liabilities	513,182	710,296	(197,114)	(27.75)
Total liabilities	3,463,272	3,385,731	77,541	2.29
Capital stock	1,692,000	1,692,000	-	-
Capital surplus	295,035	271,333	23,702	8.74
Retained earnings	(396,815)	96,524	(493,339)	(511.11)
Other equity interest	(80,922)	(46,576)	(34,346)	73.74
Treasury Stock	-	(43,059)	43,059	(100.00)
Total equity of the shareholders	1,509,298	1,970,222	(460,924)	(23.39)
Analysis of the changes in proportion:				
1. Other non-current liabilities decreased mainly due to a reduction in long-term borrowings.				
2. Retained earnings decreased mainly due to an increase in accumulated deficits to be compensated.				
3. Other equity decreased mainly due to a reduction in exchange differences arising from the translation of financial statements of foreign operating entities.				
4. Treasury shares decreased mainly because treasury shares were transferred to employees in 2025.				
5. The total equity decreased, mainly due to a decrease in retained earnings.				

ii. Financial Performance

(1) Analysis of changes in Financial Performance

Unit: NT
\$ thousands

Item \ Year	2025	2024	Increase (Decrease) Amount	Percentage change (%)
Operating revenue	3,171,773	3,188,136	(16,363)	(0.51)
Operating costs	(3,179,770)	(3,000,852)	(178,918)	5.96
Gross profit from operations	(7,997)	187,284	(195,281)	(104.27)
Operating expenses	(427,379)	(367,181)	(60,198)	16.39
Operation profit (loss)	(435,376)	(179,897)	(255,479)	142.01
Non-operating income and expenses	(50,691)	(42,868)	(7,823)	18.25
Consolidated Pre-tax Net Income (Loss)	(486,067)	(222,765)	(263,302)	118.20
Income tax expense	(14,694)	(7,314)	(7,380)	100.90
Consolidated Net Income (Loss)	(500,761)	(230,079)	(270,682)	117.65
Other comprehensive income	(26,924)	94,356	(121,280)	(128.53)
Total comprehensive income	(527,685)	(135,723)	(391,962)	288.80
(i) Analysis of the changes in proportion: 1. Gross operating profit (loss): Mainly affected by uncertainties arising from U.S. tariff policies impacting traditional terminal products. 2. Operating net loss and consolidated net loss before tax: Mainly attributable to the decrease in gross operating profit 3. Income tax expense: Mainly attributable to changes in deferred income tax assets and liabilities. 4. Consolidated total net loss: Mainly attributable to the increase in net loss before tax and higher finance costs. 5. Other comprehensive income: Mainly due to changes in exchange differences resulting from the translation of financial statements of foreign operating entities. 6. Total comprehensive income: Mainly attributable to the increase in the consolidated total net loss for the current year compared with the previous period, resulting in a decrease in total comprehensive income compared with the previous period. (ii) Expected Sales Volume for the Next Year: With reference to the changes in the actual sales mix in 2025, as well as the current economic conditions, market supply and demand status, and sales strategies, the Company estimates that product sales volume for 2025 will reach 3,287,000 thousand PCS.				

(2) Potential Impact and Response Plan for Future Financial

The company will continue to execute the integration plan for group production and sales, adjusting product sales strategies. We will also fully implement production automation, develop new production technologies, streamline workforce, leverage external support, and adjust sales strategies to enhance the company's competitiveness and effectively reduce operational costs. Our aim is not only to expand market share but also to improve the competitiveness of product sales. Considering the competitive environment in the terminal connector market, we are committed to meeting the demands for copper refining, automated production, and new products (such as special new copper materials, multi-gauge strip products, eco-friendly lead-free copper alloy, wire harness terminals, integrated plugs, round-flat products, high-voltage terminal connectors for new energy, national standard insulated molded terminals etc.). We will continue to invest in research and development capabilities, accelerate the expansion of production capacity in our Vietnam factory, and expansion of Taiwan's special new type copper material factory. GEM Group is determined to move forward toward achieving strong business performance.

iii. Cash flow

(1) Analysis of Recent Annual Cash Liquidity

Cash and Cash Equivalents at Beginning of Year	Annual Net Cash Flow from Operating Activities for the 2025 full year	Annual Cash Out Flow for the 2025 full year	Cash Surplus (Deficit) for the 2025 full year	Remedial Measurements for cash deficit	
				Investment Plans	Financing Plans
776,631	(149,636)	4,553,330	(3,926,335)	76,211	4,380,921

Item	Year		Percentage Increase (Decrease) (%)
	2025	2024	
Cash flow ratio (%)	4.22	(3.17)	-233.12
Cash flow adequacy ratio (%)	64.77	58.10	11.48
Cash reinvestment ratio (%)	2.14	(1.68)	-227.38
Analysis of the changes in proportion:			
1. Cash flow ratio (%): Increased in 2025 compared with 2024, mainly due to a decrease in cash outflows for the acquisition of property, plant, and equipment in 2025, resulting in lower net cash outflows from investing activities in 2025 compared with 2024, and consequently an increase in the cash flow ratio.			
2. Cash reinvestment ratio (%): Increased in 2025 compared with 2024, mainly due to lower net cash outflows from investing activities in 2025 compared with 2024, resulting in an increase in the cash reinvestment ratio for 2025.			

(3) Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Cash and Cash Equivalents at Beginning of Year	Budgeted net cash flow from operating activities for the full year	Budgeted total cash outflow for the full year	Budgeted Cash Surplus (Deficit)	Budgeted Cash Deficit Remedial Measurements	
				Investment Plans	Financing Plans
506,099	(388,668)	7,025,484	(6,905,053)	314,668	6,896,600
(1) Analysis of Changes in Cash Flows for 2026					
1. Net cash outflow from operating activities was mainly attributable to changes in other operating assets and liabilities in 2026.					
(2) Remedial Measures for Expected Cash Shortfalls and Liquidity Analysis: Increase short-term and long-term borrowings.					

iv. The impact of the significant capital expenditure of the latest year upon the financial conditions:

(1) Utilization of Significant Capital Expenditure in the Recent Fiscal Year and Funding Sources

Unit: NT\$ thousands

Item	Actual or Expected Funding Sources	Actual or Expected Completion Date	Total Funding Required	Actual or Budgeted Utilization of Funds			
				2025	2026	2027	2028
Factory Equipment	Borrowed Funds and Own Capital	December 31, 2028	150,000	-	-	70,000	80,000
Machinery Equipment	Borrowed Funds and Own Capital	December 31, 2026	30,000	-	30,000	-	-
Total				-	30,000	70,000	80,000

(2) Expected Potential Benefits

1. Anticipated Increase in Sales Volume, Value, and Gross Profit

In response to the China-U.S. tariff trade war, high employee turnover rate, and escalating labor costs following the pandemic, the GEM Group is strategically shifting its production processes towards division of labor within the group. This involves concentrating bulk production of commodities at the company's cost-efficient plant in Vietnam, and maximizing equipment capacity by integrating GEM Dongguan into the contract manufacturing plant for GEM Suzhou. These efforts are aimed at enhancing existing product manufacturing capabilities and quality. Additionally, proactive measures are being taken to change the product manufacturing model, aiming to reduce production costs, stabilize product quality, and improve competitiveness.

GEM Taiwan's newly built special new copper material factory has an existing equipment capacity of up to 500 tons per month. In the future, it will expand its second factory according to market demand, mainly investing in Multi-gauge Strip Copper Materials series products. The equipment capacity can reach 900 to 1800 tons per month. The principal mass-produced products include high-conductivity copper busbars, special-shaped conductor copper materials, flat copper materials, fine-grain copper rods, micro-channel thermal management copper materials, oxygen-free rolled copper foils, and various other special new copper materials.

V. Year The main reasons for profits or losses and the investment plans for the coming year:

Return on Investment Analysis

Explanation Item	Investment Increase (Decrease) Amount in 2022	Policy	Main Reasons for Profit or Loss	Improvement Plan	Other Future Investment Plans Investment Plans
GEM Terminal (Cayman) Co., Ltd.	-	In recent years, the Company's reinvestment activities have primarily focused on Vietnam as its major investment region. Phase I and Phase II plants of Vietnam GEM have been completed, with ongoing expansion of copper smelting and extension processes and the installation of related production equipment, in order to reduce production costs and expand into the East Asian market.	GEM Vietnam Company started operations in 2016. In 2021, the group adjusted its sales strategy, achieved effective production integration, and gradually realized the benefits of refining and stretching copper. In 2024, Vietnam GEM turned its loss into profit as the copper smelter's capacity was fully utilized and the group's material costs were reduced. In 2025, sales volume of U.S.-standard terminal products declined due to the impact of U.S. tariff policies, resulting in insufficient capacity utilization and operational losses.	Our company will continue to implement the group's production and sales integration plan, adjust product sales strategies, and fully launch production automation, develop new production technologies, and streamline manpower. We aim to optimize the production process of GEM Vietnam Company, implement international division of labor, accelerate the production transfer of bulk products, effectively reduce operating costs, expand market share, and enhance product sales competitiveness.	GEM Vietnam Phase I plant officially started production in 2016, and the construction of Phase II plant was completed in 2017. We have continuously introduced refining copper equipment and technology and started mass production in the fourth quarter of 2018. Currently, our focus is on producing finished and semi-finished products for export to China. We further increased capital in 2023 and developed GEM Vietnam Company as the main production base of the GEM Group. Our future plans involve focusing on exports to the global market while supplementing domestic sales, aiming to increase our global market share.

VI. Analysis of Risk Management

(1) Risk management policies

The company has integrated business management and risk management to foster a group organizational culture that emphasizes risk management. The "Group Risk Management Framework" has been established as the overarching principle for risk management in GEM Group. The scope of the regulations includes market risk, credit risk, liquidity risk, operational risk, and legal risk.

1. Recent annual and year-to-date impact of interest rate, exchange rate fluctuations, and inflation on the company's profitability, as well as future measures:

(1) The effect upon the Company's profits (losses) of interest rate fluctuations and response measures to be taken in the future.

In the fiscal year 2025, the financial cost of the company and its subsidiaries accounted for approximately 2.19% of revenue, an increase from 2.00% in 2024. In the first quarter of 2026, the financial cost accounted for approximately 1.64% of revenue, an increase from 2.45% in the first quarter of 2025. This increase was mainly due to the impact of China-U.S. tariff trade war. Additionally, the global consumer electronics market entered a phase of inventory adjustment, resulting in an increase in operating costs. However, the company adjusted its short-term and long-term borrowings and optimized its debt structure, mitigating any significant impact on the profit and loss due to interest rate fluctuations. Future measures include timely utilization of short-term financing combined with medium and long-term financing loans to control interest costs and maintain a healthy financial structure.

(2) The effect upon the Company's profits (losses) of exchange rate fluctuations and response measures to be taken in the future.

To reduce and avoid foreign exchange losses, the company and its subsidiaries continuously monitor market trends to minimize the impact of exchange rate fluctuations on profitability. In the fiscal year 2025, the net gain from currency exchange was NT\$ 8,290 thousand, accounting for 0.26% of revenue, while in the fiscal year 2024, the net gain from currency exchange was NT\$ 16,785 thousand, accounting for 0.53% of revenue. This indicates a decrease in net gains from currency exchange. In the first quarter of 2026, the net gain from currency exchange was NT\$5,705 thousand, accounting for 0.50% of revenue, compared to the net loss of NT\$ 4,040 thousand accounting for 0.58% of revenue in the first quarter of 2025. The increase in net losses was primarily due to the impact of the pressure of interest rate cuts in US, resulting in the depreciation of the Asian currencies, resulting in exchange gains for the company. Future measures will adopt a prudent approach in response to international economic conditions, closely monitor global economic trends, and timely engage in foreign exchange hedging or natural hedging. For holdings of confirmed foreign currency assets or liabilities, appropriate timing will be selected for hedging operations or spot sales and purchases to mitigate the impact on the core business.

(3) The effect upon the Company's profits (losses) of inflation rate and response measures to be taken in the future.

The company and its subsidiaries primarily rely on copper as a key raw material. In 2024, the international copper raw material price was continuously influenced by global inflation slowdown, American interest rate policy and geopolitics. LME copper price soared to the highest of US\$ 12,960 in December 2025, while Changjiang copper also soared to the highest of RMB 102,660 in December 2025. As the price of raw materials fluctuates significantly, it becomes challenging to control procurement costs. Future measures will involve closely monitoring changes in the raw material market, seizing the optimal timing for material purchases, transferring costs to customer orders to mitigate the pressure of rising costs, strengthening inventory management, and managing accounts receivable from customers to avoid the impact of raw material price fluctuations on the core business.

2. Recent annual and year-to-date policies, profitability or loss, and future measures regarding high-risk, high-leverage investments, lending funds to others, endorsement guarantees, and derivative transactions:

In order to manage financial risks, the company has established operating procedures for "Lending Funds to Others," "Endorsement Guarantees," and "Acquisition or Disposal of Assets," in accordance with the relevant regulations of the Securities and Futures Bureau. The policies and related transactions are all based on a conservative approach and do not involve high-risk, high-leverage investments.

- (1) Engagement in derivative financial instrument transactions:

The purpose of the company's engagement in copper futures contract derivative transactions is primarily to mitigate the risks arising from copper price fluctuations. Additionally, engaging in forward foreign exchange contracts is mainly to mitigate the risks arising from exchange rate fluctuations. The company's financial hedging strategy aims to achieve the mitigation of a significant portion of cash flows or fair value risks through income and expense recognition. However, because the hedging criteria specified by international financial reporting standards are not met, hedge accounting is not applicable.

As of the date of the annual report printing, the company has no outstanding contracts.

(2) Details of lending funds to others and endorsement guarantees are listed as follows:

A. Lending Funds to Others:

As of April 30, 2025

Unit: NT\$ thousands

Lending Company	Counter party	Related Party?	Transaction	Highest Balance in the Current Year	Ending Balance	Actual Disbursement Amount	Interest Rate Range	Nature of Lending Funds	Necessity of Short-term Funding	Lending Limit for Individual Counter parties (Note 1)	Total Amount of Lending Funds (Note 1)
Vibo Gem International Co., Ltd.	Vietnam GEM Electronic and Metal Co., Ltd.	Yes	Accounts Receivable - Related Parties	32,020(\$1,000,000 USD)	31,670 (\$1,000,000 USD)	0	4.7%	Short-term funding assistance	Business development	331,362	662,723
Dongguan GEM Electronic & Metal Co., Ltd.	Suzhou GEM Optoelectronics Terminal Co., Ltd.	Yes	Accounts Receivable - Related Parties	22,835 (5,000,000 RMB)	0	0	2.40%	Short-term funding assistance	Business development	135,396	270,791
Dongguan GEM Electronic & Metal Co., Ltd.	Suzhou GEM Optoelectronics Terminal Co., Ltd.	Yes	Accounts Receivable - Related Parties	46,330 (10,000,000 RMB)	46,320 (10,000,000 RMB)	46,320 (10,000,000 RMB)	2.30%	Short-term funding assistance	Business development	135,396	270,791
Dongguan GEM Electronic & Metal Co., Ltd.	Suzhou GEM Optoelectronics Terminal Co., Ltd.	Yes	Accounts Receivable - Related Parties	45,290 (10,000,000 RMB)	0	0	2.30%	Short-term funding assistance	Business development	135,396	270,791
Dongguan GEM Electronic & Metal Co., Ltd.	Suzhou GEM Optoelectronics Terminal Co., Ltd.	Yes	Accounts Receivable - Related Parties	68,505 (15,000,000 RMB)	0	0	2.30%	Short-term funding assistance	Business development	135,396	270,791
Dongguan GEM Electronic & Metal Co., Ltd.	Suzhou GEM Optoelectronics Terminal Co., Ltd.	Yes	Accounts Receivable - Related Parties	13,899 (3,000,000 RMB)	13,896 (3,000,000 RMB)	0	2.30%	Short-term funding assistance	Business development	135,396	270,791
Dongguan GEM Electronic & Metal Co., Ltd.	Suzhou GEM Optoelectronics Terminal Co., Ltd.	Yes	Accounts Receivable - Related Parties	69,495 (15,000,000 RMB)	69,480 (15,000,000 RMB)	69,480 (15,000,000 RMB)	2.30%	Short-term funding assistance	Business development	135,396	270,791

Note 1: The total amount of funds lent to others, due to the necessity of short-term financing, is limited to a maximum of 40% of the consolidated shareholders' equity of the Company and its subsidiaries. The individual lending amount is limited to a maximum of 20% of the consolidated shareholders' equity of the Company and its subsidiaries.

B. Endorsement and Guarantees:

Name of the Endorser/Guarantor Company	Endorsee/Guaranteed Party			Limit on Endorsement/Guarantee Amount for a Single Enterprise	Highest Balance up to the Current Month	Outstanding Balance of Endorsements/Guarantees at Period End	Actual Amount Utilized	Amount of Endorsements/Guarantees Secured by Collateral	Ratio of Accumulated Endorsement/Guarantee Amount to Net Worth as Stated in the Latest Financial Statements	Maximum Limit for Endorsements/Guarantees	Endorsements/Guarantees by Parent Company to Subsidiary	Endorsements/Guarantees by Subsidiary to Parent Company	Endorsements/Guarantees for Mainland China Entities
	Company Name	Relationship	Shareholding Percentage										
Dongguan GEM Electronic & Metal Co., Ltd.	GEM Terminal Ind.	Between companies in which the Company directly or indirectly holds more than 90% of the voting shares.	100%	1,692,444	162,155	162,120	120,000	162,120	23.95%	1,692,444	No	Yes	No

3. Progress of future research and development projects, estimated R&D expenses, projected time for mass production, and key factors for successful future R&D.

(1). Future Research & Development Projects

1. Development of process equipment
 - A. Continue expanding the development of the 32-cavity VDE plug bracket injection molding process.
 - B. Carry out the development of the 32-cavity VDE tool head bracket injection molding process.
 - C. Carry out the development of the 24-cavity electrical terminal injection molding process.
 - D. Carry out wire harness development to replace imported components.
 - E. Conduct sample testing for special-shaped conductor copper materials for new energy applications with thickness specifications of 2.7mm and 4.2mm.
 - F. Develop production processes for UL polarized and non-polarized round-pin flattened products.
 - G. Carry out the development of new processing technologies for “micro-channel harmonica tube” products applied in AI servers.
 - H. Carry out the development of “special-shaped oxygen-free copper busbar” products.
 - I. Continue the development of all-copper and insulated manufacturing processes for two-pin non-polarized products.
2. Quality improvement of existing products or process improvement in production.
 - A. Keep developing of low-cost VDE hollow copper rods and environmentally-friendly lead-free plugs.
 - B. Keep expanding of semi-finished terminal and copper rod CCD automatic screening machine introduction.
 - C. Re-develop of high-precision, high-speed stamping dies for some existing electrical and automotive products.
3. Research and development of new niche products to improve the company performance and profitability.
 - A. Keep developing deep drawing and necking technologies to break through the existing necking process mode and increase production capacity by more than 3 times.
 - B. Keep executing the development of vehicle and general connectors, as well as connectors for electrical factory requirements.
 - C. Keep accelerating the expansion of environmentally-friendly lead-free products and their production volume.
 - D. Utilize advanced machining processes to collaborate with customers in the development of new energy, automotive, 5G, and other connector products.
 - E. Continuously develop high-end, multi-gauge strip products in coordination with customer requirements.
 - F. Replan the processing equipment for multi-gauge strip copper materials, research and develop new generation equipment to shorten development cycles and ensure stability of machine processing quality.
 - G. Development of insulated plug products and manufacturing processes for various countries, as well as the modification and upgrading of production molds and equipment in response to the comprehensive transition to insulated products under the new GB safety standards.
 - H. Copper smelting products are used in the development of copper bars, busbars, copper sheets and other products.

(2) Current progress of unfinished R&D projects in the fiscal year 2025:

Most of the planned R&D projects for the fiscal year 2025 have been executed according to the original plan. The development trend of products has been completed in collaboration with a terminal riveting machine manufacturer to develop riveting machines for customer use. In terms of new product development, compliance with environmental regulations (metal lead content > 1000PPM under regulation, currently exempted by the EU until 2026) has been achieved. We have utilized high-speed milling technology to develop environmentally friendly lead-free copper products. The development of automatic riveting within the assembly for single-piece UL terminals and their frames has been completed, and we continue to develop new products to expand the market. The unfinished projects are as follows:

- A. Introduction of new continuous/additional hollow copper rod rolling electroplating wire.
- B. Capacity expansion for various new products is yet to be completed.
- C. The production technology for VDE hollow copper rods has been introduced, but the introduction of production technology for hollow copper rods used in plugs from other countries is still pending.
- D. Completion of development of small high-speed cutting machines for future use in machining of outer diameter and inner hole drilling of the terminal produce with round brass wire, and British plug copper rod processing.

-(3) Additional R&D expenses to be invested:

An initial estimation indicates that approximately NT\$137,500,000 should be invested in additional R&D expenses in the current fiscal year.

(4) Estimated investments and production timelines for relevant process equipment introduction and development, in addition to R&D expense investments, for the fiscal year 2026 are as follows:

Future Research & Development Projects	Current Progress	Estimated Budget (in NT\$ million)	Estimated Product Launch Date
(1)Introduction of New Continuous/Hollow Copper Rod with Barrel Electroplating line	100%	15	Gradual commencement of production from January to June 2026
(2)Continuous Introduction of Hollow Copper Rod Production Technology for Various Country Plugs	70%	12	Gradual commencement of production from January to June 2026
(3)Development of Production Equipment for Hollow Copper Rods for Various Country Plugs	90%	15	Gradual commencement of production from January to June 2026
(4) Small-Scale High-Speed Cutting Machine	90%	36	Gradual commencement of production from January to June 2026
(5) Development of 32-Cavity VDE Plug Support Injection Molding Process	90%	13	Gradual completion from January to December 2026
(6)Development of Flat Electrical Terminal Rubber Housing with 24-Cavity4-Cavity	80%	3	Gradual completion from January to December 2026
(7) Development of Processes for Flexible Conduit Cutting, CCD Inspection, and Automatic Packaging	100%	2	Continuous production launch from January to December 2026; CCD and automatic packaging machines have been cancelled
(8) Development of Connector Products for New Energy Vehicles	50%	9	Gradual completion from January to December 2026
(9) High-end multi-gauge strip material or multi-gauge strip material Product Development	50%	5	Gradual completion from January to December 2026
(10) Fine grain copper rod collecting equipment	90%	1	Continuous production launch and completion of equipment installation from January to December 2026
(11)Converged copper bar hydraulic drawing machine equipment & flaw detector	100%	7	Gradual completion from January to December 2026
(12)Copper plate bending and straightening machine equipment	100%	10	Gradual completion from January to December 2026
(13) Copper Busbar Coil Drawing Machine Production Equipment	20%	1.4	Gradual completion and commencement of production from January to July 2026
(14) 15T Hydraulic Drawing Machine Production Equipment	20%	3	Gradual completion and commencement of production from January to July 2026
(15) Model 400 Extrusion Machine Production Equipment	20%	5.1	Gradual completion and commencement of production from January to July 2026
Subtotal		137.5	

(5) Key factors for the successful future of research and development:

- A. Possessing a strong R&D team that has in-depth knowledge of product characteristics and customer needs within our industry, establishing crucial core technologies while seeking steady and sustainable growth.
 - B. Observing international trends, conducting cautious evaluations, engaging in international collaboration and strategic alliances to accelerate the quality and speed of research and development, effectively seizing opportunities in the market.
 - C. Putting relentless effort into training R&D talents, emphasizing specialized division of labor and knowledge transfer. Periodically sending personnel to advanced countries for knowledge absorption and technical exchange, and when necessary, implementing technology transfer to accelerate the establishment of autonomous technology and gain a competitive edge in the market.
 - D. Introducing YASDA high-speed, high-precision milling machines integrated with CAD/CAM systems to enhance the manufacturing technology of 3D-shaped, high-hardness components, thereby improving product quality.
4. Impact of important domestic and international policies and legal changes on the company's financial operations and corresponding measures:

5. Impact of technological changes (including information security risks) and industry dynamics on the company's financial operations and corresponding measures:

The company closely monitors significant domestic and international policy and legal changes and takes proactive measures in a timely manner. We may seek professional advice from accountants, lawyers, etc. In the recent fiscal year and up to the date of the annual report printing, there have been no significant impacts on the company's financial operations due to important domestic and international policy and legal changes. Since its establishment, the company has been committed to research, innovation, and technological advancement. We allocate substantial annual funds for research and development and technological investments. For mature products, we continuously enhance their quality and provide professional technical services to maintain existing customers and expand into new markets. Based on our existing products and technologies, we align with industry trends, develop new products, and invest in in-house production equipment to extend our product line and technological capabilities. This diversifies our product offerings and reduces investment costs, enabling us to achieve sustainable business growth.

The company's main products are electrical plug-type terminals, primarily used in home appliances, consumer electronics and electrical products, information and communication products, etc. Electrical plug-type terminals are essential components in related products. While market supply and demand for these products directly impact the upstream supply of terminals, other technological and industry changes have not had a significant impact on the company's financial operations.

6. Impact of corporate image changes on crisis management and corresponding measures:

The company has always adhered to the principles of lawfulness, trustworthiness, environmental responsibility, and compliance with national regulations. We have silently worked towards establishing a stable, pragmatic, innovative, and sustainable corporate image while fulfilling our corporate social responsibilities. Currently, we conduct annual corporate governance assessments based on the latest evaluation criteria, taking into account the OECD principles of corporate governance and the Asian Corporate Governance Association (ACGA) evaluation indicators to align with the latest international trends. We strive to enhance the quality of corporate governance and image, ensuring full integration with international standards.

7. Expected benefits, potential risks, and corresponding measures of mergers and acquisitions:

In August 2010, the company established GEM Terminal (Cayman) Co., LTD and subsequently made a further investment by acquiring 100% equity of RuiZhan Hardware Co., Ltd. in Vietnam. The equity transfer of RuiZhan Hardware Co., Ltd. has been successfully completed. By the end of December 2011, we obtained the approval for the environmental impact assessment report and the land red book. We have initiated the necessary activities for constructing the factory. In the fiscal year 2015, the company was renamed as Vietnam GRM Electronic and Metal Co., Ltd. The first phase of the factory has been completed and commenced operations in the first quarter of 2016. The expansion of the second phase of the factory was also completed in 2017. Additionally, we introduced copper refining equipment and technology, taking full advantage of the tariff preferential conditions under the ASEAN Plus One framework to expedite market development in the ASEAN region. Currently, there are no other merger and acquisition plans, thus no potential risks are anticipated.

8. Expected benefits, potential risks, and corresponding measures of factory expansion:

The company, in addition to replacing outdated equipment based on market demand and evaluating production efficiency, aligns with its operational plans to assess investment benefits based on its own production and research and development capabilities, as well as the cost of acquiring funds. It continuously monitors market and industry changes and promptly reviews and adjusts response strategies to minimize potential risks and maximize benefits.

GEM Group will strive to meet customer product demands to expand market share. As China is a rapidly growing market, investment in equipment will be implemented progressively to manage risks while maximizing production efficiency. Vietnam GEM has commenced operations since March 2016 and is leveraging the tariff preferential conditions under the ASEAN Plus One framework to accelerate market development in the ASEAN region. Currently, there are no plans for large-scale factory expansion, and thus, investment risks remain within an acceptable range.

9. Risks and measures related to concentrated procurement or sales:

The company and its subsidiaries primarily source internationally traded bulk raw materials, ensuring a stable supply. To mitigate production risks and diversify procurement, the company and its subsidiaries purchase from multiple domestic and foreign suppliers. Regarding sales customers, the company and its subsidiaries have a customer base predominantly in Taiwan and China. The final products are not concentrated among a few major customers, thereby avoiding the risk of concentrated sales and the need for specific measures.

10. Impact, risks, and measures related to significant transfers or changes in ownership of directors or major shareholders holding over ten percent of shares:

The company has not experienced any significant transfers of ownership or changes in shareholdings involving directors or major shareholders holding over ten percent of shares.

11. Impact, risks, and measures related to changes in management control:

12. The company's major shareholders and directors have stable ownership of shares, and there are no facts or plans indicating a change in management control. Therefore, the risk of changes in management control is minimal.

- (1) Significant litigation, non-litigation, or administrative disputes that have been determined or are pending, and their outcomes may have a significant impact on shareholders' equity or securities prices. Disclosures should include the disputed facts, amount in question, commencement date of the litigation, main parties involved, and the status of handling as of the date of the annual report: NONE.

- (2) Significant litigation, non-litigation, or administrative disputes involving directors, general managers, substantial controlling shareholders holding over ten percent of shares, and subsidiaries that have been determined or are pending, and their outcomes may have a significant impact on shareholders' equity or securities prices: NONE.

13. Other significant risks and mitigation measures:

(1) Organizational structure and responsible units for risk

Risk Management	Responsible Department	Risk-related Business Matters
Business decision risks	President's Office CEO's Office	Business decisions and objectives related to the company's short and long-term development, overseas investments, and overall contracts' risks
Product trend risks	Research and Development Department	Future development trends of products and customer demands
Operational risks and quality control risks	Factory Management Department	Capacity planning and enhancing product quality to manufacture high-quality products
Operational risks related to product certification timelines and quality control	Quality Assurance Department	Managing the product quality assurance system, understanding certification timelines, and meeting the requirements of safety regulations, ISO 14001, IATF 16949, and relevant environmental directives
Market risks, credit risks, financial management, and operational risk management	Finance Department	Capital allocation and management, fundraising planning, business analysis and cost analysis, capital utilization planning, and foreign exchange hedging operations
Internal control risks and operational risk audits	Audit Division	Assessing the security and effectiveness of internal control systems
Market liquidity risks in raw material procurement, legal risks in equipment procurement, credit risk management, and personnel management risks	Management Department	Management of raw material and equipment procurement, delivery schedules, and effective personnel management
Management of market liquidity risks and credit risks, sales orders, and credit limits	Sales Department	Management of future sales market development trends, customer credit, and order control
Risk management of company-related transaction data and related operational risks	Information Technology Department	Ensuring the security and accuracy of computerized transaction data and timely development of relevant programs for substantial computerization

(2) Information Security:

A. Management of Information Security Risks

To enhance the company's information security management, the Information Technology Department is responsible for reviewing information security policies, implementing various security plans, and taking action in case of security concerns, intrusions, or damages. The Information Technology Department assesses the initial situation, carries out preliminary procedures to mitigate the situation, contacts relevant equipment vendors to discuss response measures, and reports to relevant supervisory authorities. If necessary, it escalates to the level of the General Manager or higher to activate the company's emergency response procedures.

B. Specific Management Measures for Information Security Systems

- (A) Implementation of Firewalls: To block network attacks and intrusions, providing warning messages and analysis data.
- (B) Implementation of Anti-Virus Systems: Installation of anti-virus software on each server and Internet-connected operating devices, with automatic updates of virus definitions to reduce virus invasions through email and various file types.
- (C) Establishment of a Security-Aware Culture: Emphasizing the importance of information security during the onboarding process of new employees.
- (D) Encryption of Important Files: Encrypting critical departmental and specially required data to protect it in the event of system breaches or data leaks.
- (E) Data Storage: In addition to the backup function on the host server, data storage is required to be maintained outside the host server to ensure availability of resources for system recovery in case of any failure or rebuilding needs.

vii. Other important matters: NONE

VI. Special Disclosure

1. Summary of Affiliated Companies

(I) Consolidated business report

Please visit the Market Observation Post System(<https://mops.twse.com.tw/>), go to the "Single Company" section and access the "Affiliated Enterprises Statements" document download area. After entering the Company's code (or abbreviation) and the year, click "Search" to search for the relevant information.

(II) Affiliation Reports and Consolidated Financial Statements of Affiliates

Please visit the Market Observation Post System(<https://mops.twse.com.tw/>), go to the "Single Company" section and access the "Affiliated Enterprises Statements" document download area. After entering the Company's code (or abbreviation) and the year, click "Search" to search for the relevant information.

2. Acts in privately placed securities in categories and names of negotiable securities in the most recent year as of the Annual Report issuance date: NONE

3. Other necessary supplementary notes: NONE

VII. Other disclosures

Occurrence of significant impact upon shareholders' equity or securities prices under Subparagraph 2, Paragraph 3, Article 36 of the Act in the most recent year as of the Annual Report issuance date: NONE.