



Stock Code: 6115

I-SHENG ELECTRIC WIRE & CABLE CO.,LTD

2025 ANNUAL REPORT

Market Observation Post System (MOPs): <http://newmops.tse.com.tw>

Securities and Futures Institute Website (SFI): <http://efile.sfi.org.tw>

Printed on: June 24, 2026

I. Name of the Company's Spokesperson, Deputy Spokesperson, Title, Contact

Number, and Email Address:

Spokesperson: KAO, SHIH-JUNG

Title: Assistant Vice President of Finance Department

Deputy Spokesperson: TING, WEN-LIEN

Title: Assistant Vice President of Administration Department

Tel: (03)328-2391

E-mail: dillen@isheng.com.tw

II. Address and Contact Number of the Head Office, Branch Offices, and Factories

Address: No. 50.52, Dinghu Rd., Dahua Vil., Guishan Dist., Taoyuan City, Taiwan (R.O.C.)

Tel: (03)328-2391

III. Name of Share Registrar, Address, Website, and Contact Number

SinoPac Securities Stock Transfer Agency

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

Website: <http://www.sinopacsecurities.com>

Tel: (02)2381-6288

IV. Name of CPAs, Accounting Firm, Address, Website, and Contact Number:

CPAs: YU, CIAN RU ; LU, QIAN-WEN

Accounting Firm: Ernst & Young

Address: 9F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

Website: <http://www.ey.com>

Tel: (02)2757-8888

V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Company Website:

Home Page: [http : //www.isheng.com.tw](http://www.isheng.com.tw)

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I-SHENG ELECTRIC WIRE & CABLE CO., LTD

2025 Business Report

The global economy in 2025 continued to be affected by artificial intelligence (AI) and emerging application business opportunities, resulting in continued strong demand for high-performance computing and cloud data services, which will continue to stimulate the information electronics industry's production momentum and demand, and deepen the shipment effect, and the annual growth rate of exports of electronic and information and communications products will continue to grow, which will have a positive impact on the global economy and social stability, and thus cause the Company's export orders to grow. As a result, the Company's consolidated revenue in 2025 will increase by 2.53% compared to 2024. In addition, although international raw material prices increased, due to the Company's effective control over various expenses and manufacturing costs, the Company's consolidated operating income in 2025 increased by 29.22% compared with 2024. However, as the Company incurred foreign exchange losses due to the depreciation of the U.S. dollar against the New Taiwan dollar, the overall consolidated income before tax in 2025 decreased by 14.37% compared with 2024. The following is a summary of our 2025 operating results, research and development, and 2026 business plan :

2025 Business Operations

1. Operations performance

Individual financial statements

Unit: NT\$ thousand

Item	2025	2024
Operating revenue	3,173,694	3,133,728
Net profit after tax	535,281	680,299
Earnings per share (NT\$)	2.85	3.63

Consolidated financial statements

Unit: NT\$ thousand

Item	2025	2024
Operating revenue	7,550,216	7,363,790
Net profit after tax	528,679	667,634
Earnings per share (NT\$)	2.85	3.63

2. The Company did not announce financial forecasts and therefore does not analyse them.

3. Financial results as of December 31, 2025

Individual financial statements

Unit: NT\$ thousand

Item	2025	2024
Total assets	11,291,496	11,501,955
Non-current liabilities	6,051,000	6,086,148
Shareholders' equity	5,240,496	5,415,807
Net worth per share	27.93	28.86

Consolidated financial statements

Unit: NT\$ thousand

Item	2025	2024
Total assets	8,348,097	8,667,250
Non-current liabilities	3,051,195	3,215,303
Shareholders' equity	5,296,902	5,451,947
Net worth per share	27.93	28.86

4. The financial structure and profitability data for 2025 are shown in the table below:

Individual financial statement

Item		2025	2024
Financial structure (%)	Ratio of liabilities to assets	53.59	52.91
	Ratio of long-term capital to property, plant and equipment	3,953.39	3,876.07
Debt service ability (%)	Current ratio	57.65	52.83
	Quick ratio	54.63	50.88
Profitability (%)	Asset return ratio	4.90	6.39
	Shareholders' equity return ratio	10.05	12.98
	Net profit ratio	17.25	22.37

Consolidated financial statements

Item		2025	2024
Financial structure (%)	Ratio of liabilities to assets	36.55	37.10
	Ratio of long-term capital to property, plant and equipment	813.48	773.71
Debt service ability (%)	Current ratio	244.18	240.76
	Quick ratio	215.93	215.05
Profitability (%)	Asset return ratio	6.50	8.15
	Shareholders' equity return ratio	9.84	12.61
	Net profit ratio	7.00	9.07

5. Research and development (R&D) status: The R&D expenditure invested this year was NT\$72,897, a increase of 0.35% from NT\$72,646 in the previous year. The main R&D areas were to coordinate and integrate the resources of various plants, reduce waste of ineffective R&D projects on top of focusing on the development of electric vehicles and green energy special power lines to enhance the Company's future competitiveness.

Business plan for 2026:

- (1) Continue to conduct product research and development to meet future product demand and maintain the Company's competitive advantage.
- (2) In order to cope with the changes in U.S. tariff policy and to diversify investment risks, we will strengthen business development in the U.S. retail market and promote the establishment of a processing plant in Mexico to reduce production costs.
- (3) The Company relentlessly upgraded to advanced automation equipment, integrated manufacturing processes and optimized management processes to improve production and operational efficiency.
- (4) Diversify the development of product lines, scale up service levels, and develop potential customer groups to increase revenue and market share.
- (5) Carry out tax planning for group enterprises, reduce the global effective tax burden, and achieve the goal of legal tax savings.

Outlook

The Company will continue to develop AI servers, smart home appliances, game consoles, and power cables in the traditional AC power connection cable products. In addition, We will continue to expand our global market footprint in Southeast Asia and the U.S. In addition, we will continue to serve our customers with low-cost, high-quality products to expand our global market share. It is expected that the continued expansion of AI technology applications will drive growth in related market demand, and that performance in 2026 will remain promising.

Finally, on behalf of I-sheng Electric Wire & Cable Co Ltd, I would like to express my sincere gratitude to all the shareholders, ladies and gentlemen, for their guidance and support to the Company today and in the past. I hope that you will continue to give us your guidance and support so that we can achieve further success.

Chairman Huang, T.C HUANG
Head of Accounting KAO,SHIH-JUNG

General Manager FANG,I-HSIUNG

II. Corporate Governance Report

2.1 Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, Departments and Branches Officers Information

2.1.1 Directors and Supervisors (1):

June 24, 2026

Title	Nationality or place of registration	Name	Gender / Age	Date of election	Term of office	Commencement date of first term	Shares held when appointed		Shares currently held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (3)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	Taiwan	T.C HUANG	Male / 71-80	07/2021	3	05/2000	10,782,682	5.75	10,782,682	5.75	1,790,939	0.95	—	—	Kun Shan University Graduate School of Business Administration	Chairman of DRAGONJET CORPORATION, Independent director of Radiant Opto-Electronics Corporation, Director of ICHIA TECHNOLOGIES, INC.	Director	CAO, SIN-TAI	The second degree	—
Director	Taiwan	FANG, I-HSIUNG	Male / 71-80	07/2021	3	05/2000	10,916,224	5.82	10,916,224	5.82	2,120,972	1.13	—	—	Australia Yi Bi Ruei Ji Vocational School Industrial Management Group	Director of Zenitron Corporation, President of I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	—	—	—	—
Director	Taiwan	HUANG, CIN-MING	Male / 71-80	07/2021	3	05/2000	274,632	0.15	274,632	0.15	—	—	—	—	National Chiao Tung University Department of Electronic Engineering	Chairman & President of Chroma ATE Inc.	—	—	—	—
Director	Taiwan	JHOU, YOU-YI	Male / 71-80	07/2021	3	06/2006	214,616	0.11	214,616	0.11	11,397	0.01	—	—	Asian Institute of Management (Management Development Program) MDP; Tatung University Department of Electrical Engineering; Tatung Company Director of Electronic Design Department	Chairman of Zenitron Corporation	—	—	—	—
Director	Taiwan	CAO, SIN-TAI	Male / 61-70	07/2021	3	07/2021	—	—	—	—	—	—	—	—	Southern Taiwan University of Science and Technology Department of Chemical Engineering; technician of Dachan, Great Wall Enterprise	None	Chairman	T.C HUANG	The second degree	—
Director	Taiwan	WANG, LIANG-KAI	Male / 41-50	07/2021	3	06/2015	396	0.00	396	0.00	—	—	—	—	Department of Economics, National Taiwan University; Manager of FUBON FUTURES CO., LTD.; Junior Manager of Sinopac Futures Corporation	Chief research officer of Yan Chuang Investment	—	—	—	—
Independent director	Taiwan	CHEN, CHUN-SHENG	Male / 51-60	07/2021	3	07/2021	—	—	—	—	—	—	—	—	Master of Financial Management at US Drexel University; Fubon Securities Co., Ltd., Head of the Proprietary Department	None	—	—	—	—
Independent director	Taiwan	CHEN, HSIOU-LING	Female / 61-70	07/2021	3	07/2021	20,000	0.01	—	—	—	—	—	—	Graduate of Harvard Business School; Director and President of Citi Private Bank in Hong Kong	None	—	—	—	—
Independent director	Taiwan	HSIES, YI-CHEN	Female / 31-40	07/2021	3	07/2021	—	—	—	—	—	—	—	—	Academy of Art University; Sales Section Manager of Pegatron Corporation	Business manager of INVENTEC CORPORATION	—	—	—	—

Note: (1) Major shareholders of corporate shareholders: None. (2) If any major shareholder is a corporate/juristic person, list its major shareholders in this form: None. (3) Where the Company's Chairman and President or personnel with equivalent position (chief manager) are the same person, spouses or relatives within one degree of kinship: None.

Directors and Supervisors (2):

1. Professional qualifications of directors and supervisors and independence analysis of independent directors:

Name / Criteria	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
T.C HUANG	Kun Shan University Graduate School of Business Administration, Chairman of DRAGONJET CORPORATION, Independent director of Radiant Opto-Electronics Corporation, Director of ICHIA TECHNOLOGIES, INC.	1. Also serves as the director of the Company's affiliated companies (100% subsidiary). 2. Top ten natural shareholders of the Company. 3. The rest have been verified to comply with the relevant independence requirements in accordance with the independence criteria listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	1
FANG, I-HSIUNG	Australia Yi Bi Ruei Ji Vocational School Industrial Management Group.	1. Also serves as the Company's president and is a managerial officer. 2. Also serves as the director of the Company's affiliated companies (100% subsidiary). 3. Top ten natural shareholders of the Company. 4. The rest have been verified to comply with the relevant independence requirements in accordance with the independence criteria listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	None

HUANG, CIN-MING	National Chiao Tung University Department of Electronic Engineering, Chairman & President of Chroma ATE Inc.	The three directors listed on the left are now serving as natural person directors, and have been verified to comply with the relevant independence requirements in accordance with the independence criteria listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	1
JHOU, YOU-YI	Asian Institute of Management (Management Development Program) MDP; Tatung University Department of Electrical Engineering; Tatung Company Director of Electronic Design Department; Chairman of Zenitron Corporation.		None
WANG, LIANG-KAI	Department of Economics, National Taiwan University; Manager of FUBON FUTURES CO., LTD.; Junior Manager of Sinopac Futures Corporation; Chief research officer of Yan Chuang Investment.		None
CAO, SIN-TAI	Southern Taiwan University of Science and Technology Department of Chemical Engineering; technician of Dachan, Great Wall Enterprise	1. Is a relative within the second degree of kinship of the Company's top ten shareholders. 2. The rest have been verified to comply with the relevant independence requirements in accordance with the independence criteria listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	None
CHEN, CHUN-SHENG (Independent Director)	Master of Financial Management at US Drexel University; Nan Shan Life Senior Manager of Investment Department; Fubon Securities Co., Ltd., Head of the Proprietary Department. No circumstances under any subparagraph of Article 30 of the Company Act.	The three independent directors listed on the left have met the eligibility requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act two years prior to their election and during their term of office. Furthermore, the independent directors have been given the power to fully participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, which enables them to independently perform their relevant duties and responsibilities.	None
CHEN, HSIU-LING (Independent Director)	Graduate of Harvard Business School; University of Washington, master's degree; graduated from National Chengchi University; Director and President of Citi Private Bank in Hong Kong. No circumstances under any subparagraph of Article 30 of the Company Act.		None
HSIES, YI-CHEN (Independent Director)	Academy of Art University Department of Fashion Marketing; Sales Section Manager of Pegatron Corporation; Business manager of INVENTEC CORPORATION. No circumstances under any subparagraph of Article 30 of the Company Act.		None

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and P. 4 of 93 work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

2. Diversity and Independence of the Board of Directors:

- (1) The Company's policy for the diversification of directors aims to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, it is believed that the policy of diversification will help improve the overall performance of the Company. The selection and appointment of members of the Board of Directors is based on the principle of meritocracy, with emphasis on their diverse and complementary capabilities across industries, including basic components such as gender, age, nationality, as well as industry experience and corresponding skills in aviation, shipping, hospitality, finance, law, information technology, and non-profit sectors. Additionally, they possess abilities in operational judgement, management, leadership, decision-making, and crisis management. To strengthen the functions of the Board of Directors in achieving the ideal goal of corporate governance, Article 20 of the Company's "Corporate Governance Principles" stipulates that, the Board of Directors shall possess the following abilities: 1. Ability to make operational judgements 2. Ability to perform accounting and financial analysis 3. Ability to conduct management administration 4. Ability to conduct crisis management 5. Knowledge of the industry 6. An international market perspective 7. Ability to lead 8. Ability to make policy decisions; and the implementation status of the Company's policy for the diversification of directors is as follows:

Name of Directors	Basic Component									Industry Experience										Professional Ability		
	Nationality	Gender	Director with employee status	Age					Independent directors' term of office		Aviation	Transportation	Professional service & marketing	Finance	Architecture & engineering	Bank and insurance & real estate	Commerce & supply	Information & technology	Metal & machinery	Law	Accounting	Risk management
				Under 50	51 ~ 60	61 ~ 70	71 ~ 80	Over 80	Under 3 years	6 ~ 9 years												
T.C HUANG	Taiwan	Male	-	-	-	-	V	-	-	-	-	-	-	-	-	-	V	-	-	-	-	V
FANG, I-HSIUNG	Taiwan	Male	V	-	-	-	V	-	-	-	-	-	-	-	-	-	-	V	-	-	-	V
HUANG, CIN-	Taiwan	Male	-	-	-	-	V	-	-	-	-	-	O	-	-	-	V	-	-	-	-	V

MING																						
JHOU, YOU-YI	Taiwan	Male	-	-	-	-	-	V	-	-	-	-	O	-	-	-	-	V	-	-	-	V
CAO, SIN-TAI	Taiwan	Male	-	-	-	V	-	-	-	-	-	-	-	-	V	-	-	-	-	-	-	-
WANG, LIANG-KAI	Taiwan	Male	-	V	-	-	-	-	-	-	-	-	-	V		-	-	-	-	V	V	V
CHEN, CHUN-SHENG (Independent Director)	Taiwan	Male	-	-	V	-	-	-	V	-	-	-	-	V	-	-	-	-	-	V	V	-
CHEN, HSIOU-LING (Independent Director)	Taiwan	Female	-	-	-	V	-	-	V	-	-	-	-	V	-	-	-	-	-	V	-	V
HSIES, YI-CHEN (Independent Director)	Taiwan	Female	-	V	-	-	-	-	V	-	-	-	V	-	-	-	-	-	-	V	-	-

Note: V means capable; O means partially capable.

- (2) The 9th session of the Company's Board of Directors comprises 9 directors (including 3 independent directors) who passes overall capabilities in operational judgement, leadership, decision-making, management, international outlook, crisis management, as well as industrial, experience and professional ability. Among them, Chairman T.C HUANG has experience in leadership, business management and crisis management. Directors HUANG, CIN-MING and JHOU, YOU-YI are knowledgeable in information and technology. Director FANG, I-HSIUNG has expertise in industry processes and risk management. Director CAO, SIN-TAI possesses mechanical process capabilities and environmental protection experience, while director WANG, LIANG-KAI has experience in environmental protection and public administration. Independent director HSIES, YI-CHEN excels in international marketing, while independent directors CHEN, CHUN-SHENG and CHEN, HSIOU-LING have expertise in finance and law.
- (3) The average term of office for the Company's directors is 9 years, while the term of office for all independent directors shall not exceed 6 years. All members of the Board are nationals of the country, and the composition structure consists of 3 independent directors, accounting for 33%, and 1 director with employee status, accounting for 11%. The age distribution of the directors includes 2 directors under age 50, one falls in the 50-60 years old age group, 2 fall in the 60-70 years old age group, and 3 fall in the 70-80 years old age group, One director is over the age of 80.
- (4) The Company's diversified management goals prioritize gender equality in the composition of the Board of Directors. The current term of the Board of Directors includes two female members, accounting for 22% of the Board. The Company aims to raise the proportion of female directors to at least one-third (i.e., 33%) and will increase the number of female directors in the 10th session to achieve the goals of gender equality. The Company has added a new female senior manager in 2023.
- (5) In terms of the independence of the Company's directors, the Company has established a system for the election of directors, and the appointment procedures for all directors are open and fair, in compliance with the regulations of the "Articles of Incorporation," "Rules for the Election of Directors," "Corporate Governance Best-Practice Principles," "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and "Article 14-2 of the Securities and Exchange Act". Only two of the directors have a familial relationship within the second degree of kinship, which complies with the provisions of Article 26-3, paragraph 3 and 4 of the Securities and Exchange Act. 2. The Board of Directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangement of its corporate governance system shall ensure that, in exercising its authority, the Board of Directors complies with laws, regulations, its Articles of Incorporation, and the resolutions of its shareholders meetings. The Company's Board of Directors emphasizes independent and transparent operation, with both directors and independent directors acting independently in the exercise of their duties. The 3 independent directors of the Company also comply with relevant laws and regulations, work with the Audit Committee, review the management of existing or potential risks of the Company, and supervise the effective implementation of the internal control system of the Company, the hiring (and dismissal), independence, and performance of CPAs of the Company, and the fair presentation of financial statements. In

addition, the Company has established the method for the election of directors and independent directors according to the “Rules for the Election of Directors.” The method adopts the systems of cumulative voting and candidate nomination, encouraging shareholders to participate in the election. Shareholders who hold a certain amount of shares may propose a list of candidates. The examination of the eligibility criteria of such candidates and the confirmation of whether there is any violation of the provisions listed in Article 30 of the Company Law are conducted and announced in accordance with the law. This protects the shareholders’ rights and interests, avoids monopoly or excessive floating of nomination rights, and maintains independence.

(6)The Company has established a performance evaluation system for the Board of Directors, which includes an annual internal self-assessment and a self-assessment of each Board member. The results of the Board of Directors’ performance evaluation and the self-assessment of the Board members are disclosed in the annual report (page 15) and on the Company’s website after being reported to the Board of Directors. In addition, to provide investors with a better understanding of the operation of the Board of Directors, relevant information has been disclosed in the annual report (page 10), on the Company’s website, and on the Market Observation Post System, including: (1) The attendance record of Board members at the meetings, (2) Agenda and resolutions of the Board of Directors, (3) The continuing education status of the Directors, (4) Changes in the shareholdings of the Board members.

2.1.2 Information on the Management Team

June 24, 2026

Title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	Taiwan	FANG, I-HSIUNG	Male	11/13/1997	10,916,224	5.82	2,120,972	1.13	—	—	Australia Yi Bi Ruei Ji Vocational School Industrial Management Group.	Director of DRAGONJET CORPORATION, Director of Zenitron Corporation	—	—	—	—
Vice President	Taiwan	LAI, JEN-HSIU	Male	10/01/2006	35,762	0.02	12,844	0.01	—	—	National Taiwan University of Science and Technology Department of Mechanical Engineering; Factory Director of I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	None	—	—	—	—
Assistant Vice President of Finance Department	Taiwan	KAO, SHIH-JUNG	Male	09/01/2002	107,430	0.06	—	—	—	—	Fu Jen Catholic University Department of Business Administration; Assistant Manager of Rong Tsung Accounting Firm	None	—	—	—	—
Assistant Vice President of Administration Department	Taiwan	TING, WEN-LIEN	Female	03/01/2023	—	—	—	—	—	—	National Taiwan Normal University Department of Business Administration, master’s degree; Administrative manager of I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	None	—	—	—	—
Assistant Vice President of Quality Assurance Department	Taiwan	WEN, MING-CHANG	Male	03/01/2023	35,000	0.02	—	—	—	—	Chang Gung University Department of Business Management, master’s degree; Section manager of quality assurance department of WONDERFUL HI-TECH CO., LTD.; Vice president of quality assurance and R&D of HOLD-KEY ELECTRIC WIRE & CABLE CO., LTD.	None	—	—	—	—
Assistant Vice President of Engineering Department	Taiwan	CHEN, YONG-JHEN	Male	03/01/2023	—	—	—	—	—	—	Department of Electrical Engineering, Chien Hsin University of Science and Technology; Manager of engineering department of I-SHENG MANUFACTURING (SONG GANG)	None	—	—	—	—

Range of Remuneration

Range of remuneration paid to each of the Company's President and Vice President(s)	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements
Less than NT\$ 1,000,000	-	-
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)	-	-
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (excl.)	FANG, I-HSIUNG; LAI, JEN-HSIU	FANG, I-HSIUNG; LAI, JEN-HSIU
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)	-	-
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)	-	-
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (excl.)	-	-
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)	-	-
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)	-	-
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.)	-	-
Greater than or equal to NT\$100,000,000	-	-
Total	2	2

2.2.3 Managerial Officers with the Top Five Highest Remuneration Amounts in a TWSE/TPEX-listed Company: Not applicable

2.2.4 Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2025

	Title	Name	Amount in Stock			Amount in Cash Amount	Total	Ratio of Total Amount to Net Income (%)
			Shares	Market price	Amount			
Managerial Officers	President	FANG, I-HSIUNG	-	-	-	5,760,000	5,760,000	1.08
	Vice President	LAI, JEN-HSIU						
	Assistant Vice President of Finance Department	KAO, SHIH-JUNG						
	Assistant Vice President of Administration Department	TING, WEN-LIEN						
	Assistant Vice President of Quality Assurance Department	WEN, MING-CHANG						
	Assistant Vice President of Engineering Department	CHEN, YONG-JHEN						
	Assistant Vice President of Business Department	CHEN, YUNG-FU						
	Assistant Vice President of Business Department	KUAN, TING-YU						

2.2.5 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, presidents, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Analysis of ratio of total remuneration paid to directors, supervisors, president, and vice presidents to net income (%)

Analysis of ratio of total remuneration paid to directors, supervisors, president, and vice presidents to net income (%)							
Title	Item	Ratio of total remuneration amount to net income (%)				Ratio of increase (decrease) (%)	
		2025		2024			
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director		2.75	2.75	2.76	2.76	-0.01	-0.01
President and Vice President		1.46	1.46	1.14	1.14	0.32	0.32

2. The total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the company and by each other company included in the consolidated financial statements in 2025 was 2.75%, representing a difference by 0.01% compared with 2024, which mainly resulted from decrease of the current net profit in 2025, compared with 2024. In addition, the remuneration paid to presidents and vice presidents differed by 0.32% during the two periods, mainly due to decrease of profits in 2025 compared with 2024

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

(1) The policies, standards, and packages for the payment of remuneration

- The Company's director remuneration policy, as stipulated in Article 20 of the Articles of Incorporation, provides that compensation for directors performing their duties shall be determined by the Board of Directors in reference to individual director's involvement in the Company's operational management and value of contribution in accordance with prevailing industry (electric components) standards. Additionally, if the Company generates profits in a fiscal year, no more than 5% shall be allocated for director remuneration in accordance with the Company's Articles of Incorporation. The Company conducts regular evaluations of directors' remuneration in accordance with the "Regulations Governing Evaluation of the Performance of the Board of Directors", and the relevant performance appraisal and the reasonableness of remuneration are reviewed by the Salary and Compensation Committee and the Board of Directors.
- Furthermore, if the Company generates profits in a fiscal year, the Company shall set aside no less than 2% of the profit as employees' compensation as stipulated in Article 20 of the Articles of Incorporation. The Company's remuneration policy for managerial officers follows the "Performance Evaluation Measures." The performance evaluation results serve as a

- reference for the distribution of managerial officers' bonuses, which are determined based on two main factors: 1. Financial indicators, which are calculated based on the profitability contribution of each business unit and the achievement rate of the managerial officers' targets, as reflected in the Company's financial statements; 2. Non-financial indicators, which are calculated based on the Company's operational management capability, participation in sustainable management, and other aspects that align with the Company's core values. The remuneration system will be reviewed and adjusted in a timely manner based on the actual business performance and relevant laws and regulations.
- c. Remuneration packages of the Company are determined in accordance with the Remuneration Committee Charter, including cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with the compensation for directors and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.
 - d. Business Performance: Based on a comprehensive assessment that considers the consolidated annual revenue growth rate of 2.53%, pre-tax profit reduction rate of 14.37%, and operating profit growth rate of 29.22%. This factor accounts for 70% of the overall evaluation.
 - e. Sustainability Performance: Evaluated based on the Company's achievement of its sustainability commitment goals, including green product innovation, low-carbon manufacturing transition, circular economy initiatives, sustainable and responsible procurement, and occupational safety and health. This factor accounts for 10% of the overall evaluation.
 - f. External Ratings: Assessed in consideration of changes in external evaluations such as corporate governance rankings. This factor accounts for 10% of the overall evaluation.
 - g. Industry Benchmarking: Evaluated with reference to average director remuneration levels among listed companies in the same industry or peers. This factor accounts for 10% of the overall evaluation.
- Based on the above evaluation items, our operation performance was better mainly due to substantial improvement of growth in both operating revenue and operating profit, as well as increase of the sustainable performance achievement. As a result, in 2025, the evaluation results of directors were improved compared with last year. However, non-operating exchange losses increased in 2025, so the profit before tax decreased; in consequence, the remuneration of directors decreased by 20.00% compared with last year, accounting for 2.28% of the net profit after tax. Besides, because our operation performance was better, 6.16% of the annual earnings has been allocated as bonus for employees in order to share our operation results with employees. For that sake, our regular salary was higher than the government-announced minimum wage, and thus the average salary for the non-managerial full-time employees enjoyed an annual growth of 6.28%.
- (2) The procedures for determining remuneration: 1. The Company periodically performs evaluation of the remuneration for directors and managers with reference to "The Procedures of Managing Remunerations for Directors and Managers" and "The Performance Evaluation Measures for Directors and Managers". The compensation of the chairman and the president is determined by reference to the company's operating performance indicators and is submitted to the Board of Directors for approval. To fully demonstrate the achievement of operating performance targets, the chairman's performance is measured based on operating indicators related to operations, governance, and financial results. The scope of evaluation includes three indicators: pre-tax net income, shareholder satisfaction, and corporate governance. The performance evaluation of the president includes key performance objectives related to operational safety management, promotion of equipment automation, strengthening internal control, and implementation of quality assurance. In 2025, the global economic growth rate remained lower than that of 2024, primarily due to various challenges including ongoing international inflation and interest rate pressures, the protracted Ukraine-Russia conflict, deceleration in the Chinese economy, sluggish inventory digestion by downstream manufacturers, and escalating impacts of climate change. Despite these challenges, the Company made efforts to implement cost-saving measures. In 2025, the Company's profits exceeded expectations. Consequently, the results of the Company's 2024 Annual Managerial Performance Evaluation revealed that all managerial officers met or exceeded their performance targets, and the Company's annual operating indicators also met the standards. 2. The performance evaluation and the reasonableness of the remuneration for the Company's directors and managerial officers are regularly evaluated and reviewed every year by the Remuneration Committee and the Board of Directors. This includes consideration of the individual's performance achievement rate and contribution to the Company, as well as the overall operational performance of the Company, the future risks and development trends of the industry, and the timely review of the remuneration system in light of actual operating conditions and relevant laws and regulations. Additionally, we take into account the current trend of corporate governance to offer reasonable compensation, balancing sustainable management and risk control. The actual amount of compensation paid to directors and managerial officers in 2025 was determined by the Remuneration Committee and approved by the Board of Directors.
 - (3) The correlation with risks and business performance: 1. The review of the standards and procedures of the Company's remuneration policy is based on Company's overall business operation and needs. The performance evaluation indicators are reviewed periodically and recommendations are made based on the needs of actual operations and relevant regulations, for the purpose of improving overall organizational efficiency of the board of directors and managers. Also, to ensure remuneration for the Company's management team is competitive to industry peers and serve the purpose of retaining talented managerial personnel. 2. The performance targets for the Company's managers have all included "risk control" to ensure that all possible risks within the scope of their duties can be managed and prevented, and the results of the evaluation are given based on actual performance, which is linked to the Company's human resources and remuneration policies. Major decisions resolved by the Company's management team are made after balancing various risk factors, performance of relevant decisions is reflected on the Company's profitability. Further, the remuneration for the management team is highly correlated to the effectiveness of risk control.
 - (4) Incentive System Linked to Sustainability Performance
In order to motivate senior executives, key professional talents, and all employees to focus on long-term, comprehensive performance and to achieve sustainable operations, starting in 2024, the Company has linked its six major sustainability strategies and goals to the short- and long-term incentive compensation of the President, Vice Presidents, Associate Vice Presidents, and heads of business units.
 1. President and Vice Presidents: Performance Indicator: Sustainability Performance (10%); Execution and Weighting: Green Product Innovation (2%), Low-Carbon Manufacturing Transition (5%), Occupational Safety and Health (2%), Others (1%)
 2. Associate Vice Presidents (Sustainability Strategy Supervisors): Performance Indicator: Sustainability Performance (5%); Execution: Responsible and Sustainable Procurement (5%)

3. Heads of Business Units (Sustainability Strategy Supervisors): Performance Indicator: Sustainability Performance (5%):
Execution: Circular Economy Initiatives (5%)

Target	Performance Indicator	Execution Method (Weighting)
President and Vice Presidents	Financial Performance (60%)	–
	Market and Customer (20%)	–
	Internal Processes (5%)	–
	ESG Performance (10%)	2% Green Product Innovation (2%) 5% Low-Carbon Manufacturing Transition (5%) 2% Occupational Safety and Health (2%) 1% Others (1%)
	Learning and Growth (5%)	–
Associate Vice Presidents (Responsible for Sustainability Strategies)	ESG Performance (5%)	Responsible and Sustainable Procurement 5%
Heads of Business Units (Responsible for Sustainability Strategies)	ESG Performance (5%)	Circular Economy Initiatives 5%

2.3 Implementation of Corporate Governance

2.3.1 Operations of the Board of Directors

A total of 7 meetings of the Board of Directors were held in 2024. The attendance of directors were as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	T.C HUANG	5	0	100.00%	
Director	FANG, I-HSIUNG	4	1	80.00%	
Director	HUANG, CIN-MING	5	0	100.00%	
Director	JHOU, YOU-YI	4	1	80.00%	
Director	WANG, LIANG-KAI	5	0	100.00%	
Director	CAO, SIN-TAI	4	1	80.00%	
Independent Director	CHEN, CHUN-SHENG	5	0	100.00%	
Independent Director	CHEN, HSIOU-LING	5	0	100.00%	
Independent Director	HSIES, YI-CHEN	5	0	100.00%	

Other mentionable items:

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

(1) Matters Listed in Article 14-3 of the Securities and Exchange Act:

On the Company's 5th board meeting of the 9th session dated January 22, 2025, the financial department submitted the proposal of remuneration for directors and employees in 2024, which was approved as originally proposed without objection after the chairman consulted all attending directors, and the independent directors had no further comments. On the Company's 7th board meeting of the 9th session dated May 9, 2025, the proposals of amendment of the Company's internal control and internal audit systems, amendment of regulations of approval authority, assessment of CPAs' fees, etc. were approved as originally proposed without objection after the chairman consulted all attending directors, and the independent directors had no further comments. In addition, transaction limit (guarantees and amount) of endorsements/guarantees and derivatives: RMB\$ 100 million for I-SHENG (Shenzhen) Co., and exposure limit of derivatives: US\$5 million for I-SHENG Electric Wire and Cable Co., Ltd. and US\$3 million for I-SHENG (Shenzhen) Co. were approved as originally proposed without objection after the chairman consulted all attending directors, and the independent directors had no further comments. On the Company's 8th board meeting of the 9th session dated August 7, 2025, the financial department submitted the proposal of the remuneration distribution plan for directors (including independent directors) and managers, which was approved as originally proposed without objection after the chairman consulted all attending directors, and the independent directors had no further comments. On the Company's 9th board meeting of the 9th session dated November 7, 2025, the proposals of amendment of both the company's internal control and internal audit systems were approved as originally proposed without objection after the chairman consulted all attending directors, and the independent directors had no further comments.

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

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: During the 5th meeting of the 9th session of the Board of Directors on January 22, 2025, the Board discussed the proposal for the approval of the 2024 year-end bonus for managerial officers and reviewed the year-end bones of the President. Director FANG, YI-HSIUNG, who is also the president, recused himself due to conflicts of interest. The remaining directors presenting at the meeting voiced no objection, and the matter was deemed approved. During the 8th meeting of the 9th session of the Board of Directors on August 7, 2025, the Board discussed the proposed plan for the distribution of the 2024 compensation for directors. When reviewing the compensation for directors, some directors recused themselves due to conflicts of interest. The remaining directors presenting at the meeting voiced no objection, and the matter was deemed approved. The Board also discussed the proposed plan for the distribution of the 2024 compensation for managerial officers. When reviewing the compensation for the president, director FANG, YI-HSIUNG, who is also the president, recused himself due to conflicts of interest. The remaining directors presenting at the meeting voiced no objection, and the matter was deemed approved.

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

A. Implementation status of board evaluations

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year; completed by the end of Q1 of the following year.	Between January 1, 2025 and December 31, 2025.	Performance evaluations of the Board of Directors, individual Board members, and functional committees	Internal self-assessment by the Board of Directors, self-assessment by directors, and peer evaluation.	Please refer to page 15, note 1.

B. An evaluation of targets for strengthening of the functions of the board during the current and immediately preceding fiscal years:

(1) The goals of diversifying the Board members and strengthening the functionality of the Board of Directors: (1.1) The Board of Directors of the Company shall be responsible to its shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings. In compliance with the international trend of corporate governance, the Board of Director of the Company passed the "Corporate Governance Best-Practice Principles" on November 9, 2016, and in accordance with the regulation, a policy on Board diversity for members of the Board of Directors is hereby formulated. For the policy for the diversification of members of the Board of Directors and implementation status, please refer to page 3-6 of the annual report. (1.2) Strengthen the powers of the functional committee and independent directors: The Company has established the remuneration committee and the audit committee under the Board of Directors to assist the Board in carrying out its supervisory responsibilities. The remuneration committee and audit committee are composed by three independent directors appointed by the Board of Directors. Articles of the committee are approved by the Board of Directors, and they regularly report their activities and resolutions to the Board of Directors. (1.3) Continuing education for directors and supervisors: The directors and supervisors of the Company

(including 3 independent directors) have completed their required training hours in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies,” and the number of training hours and courses have been publicly disclosed on the Market Observation Post System. Please refer to page 26 of the annual report.

- (2) Improving information transparency: (2.1) The Board of Directors operates in accordance with the “Rules of Procedures for Board of Directors Meetings” and convenes the meetings of the Company’s Board of Directors in compliance with these rules. The execution of the meetings is excellent. (2.2) The Company adheres to the principle of transparency in its operations and, in accordance with the regulations, releases material information and discloses relevant information on the Market Observation Post System on the day after the Board of Directors’ meeting to protect the interests of shareholders.
- (3) Performance evaluation of the Board of Directors and functional committees: (3.1) The unit in charge of the Company’s internal evaluation of the effectiveness of the Board of Directors and its functional committees is the finance department. The Company has established “Self-assessment of the Board of Directors or Peer Evaluation Methods,” and conducts the evaluation at the end of each fiscal year. The evaluation is quantified based on evaluation indicators, and the results shall be completed and submitted to the Board of Directors for reporting before the end of Q1 of the following year. (3.2) The scope of the overall performance evaluation of the board of directors of the Company shall cover at least the following five aspects: Participation in the operation of the Company, improvement of the quality of the board of directors’ decision making, composition and structure of the board of directors, election and continuing education of the directors, internal control. (3.3) The scope of the performance evaluation of the Company’s board members shall at least cover the following six aspects: Their grasp of the Company’s goals and missions, their recognition of duties of the functional committee, participation in the operation of the Company, their management of internal relationships and communication, their management of internal relationships and communication, internal control.
- (4) The results of the 2025 annual evaluation indicate that the Board of Directors has operated fully in compliance with the Company’s needs, and has effectively promoted the Company’s sustainable management, social responsibility, risk management and long-term strategic development, in order to implement the spirit of corporate governance. The evaluation results of the Board of Directors will be used as a reference for the selection or nomination of directors for the next term (the 9th term); and the individual performance evaluation results of each director will be used as a reference for their respective salary compensation. For the overall evaluation results of the Board of Directors and functional committees, please refer to page 15 of the annual report. (The evaluation result was approved at the 11th meeting of the 9th session of the Board of Directors on March 12, 2026)
4. Evaluation of the implementation of the goals for strengthening the functionality of the Board of Directors during current and immediately preceding fiscal years (such as the establishment of Audit Committee, improvement of information transparency):
- On March 12, 2025, the Board of Directors approved the evaluation of the independence and competency of the CPAs and the evaluation of the performance of the Board of Directors, Board members, and functional committees.
 - Increase the frequency of communication and enhance the content of communication between the CPAs and the corporate governance units and management.
 - The Company reports all financial, business and board meeting information on the Market Observation Post System and the Company’s website to enhance information transparency, in compliance with the regulations.
 - Establish communication with stakeholders actively: The Company has a spokesperson and a proxy spokesperson, who serve as communication channels for stakeholders. Shareholders who have the right to make proposals can submit their applications during the acceptance period of the annual shareholders’ meeting. The Company will then convene a Board of Directors’ meeting to review the proposals according to the relevant regulations.
 - Enhancement of the Board’s operational efficiency and decision-making ability: a. The Company has formulated the “Rules of Procedures for Board of Directors Meetings” to enhance the implementation of the Board’s functions and promote healthy development of the Board’s participation in decision-making. b. The Company has formulated the “Rules Governing the Scope of Powers of Independent Directors” to enhance the scientific nature of the Board’s decision-making and strengthen the Board’s constraint mechanism.
 - Strengthening professional knowledge: The directors of the Company are required to complete the annual training hours in accordance with the regulations of the competent authority. The Board also encourages its members to participate in various professional courses to continuously strengthen their knowledge, maintain their professional advantages and capabilities and promote relevant legal education to comply with the laws and regulations.
 - The Company has established a Remuneration Committee and an Audit Committee to assist the Board of Directors in fulfilling its oversight responsibilities and to regularly evaluate the achievement of the performance goals of the directors and managerial officers. None of the three independent directors of the Company has served for more than six years.

2.3.2 Operations of the Audit Committee

A total of 5 (A) Audit Committee meetings were held in the most recent fiscal year (2025). The attendance of the independent directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent director	CHEN, CHUN-SHENG	5	0	100.00%	
Independent director	CHEN, HSIU-LING	5	0	100.00%	
Independent director	HSIES, YI-CHEN	5	0	100.00%	

Other mentionable items:

1. Operations of the audit committee: 1. The Company appointed three independent directors at its general shareholders’ meetings, and the audit committee was formed by the three independent directors. The audit committee holds at least four meetings each year, and is taking the responsibility for carrying out the fair representation of the Company’s financial statements, appointment or dismissal of attesting CPAs and evaluation of CPAs’ independence and performance, effective implementation of the Company’s internal control, the Company’s compliance with relevant laws and regulations, control, and management of existing or latent risks, etc. Its main job duties and responsibilities are as follows: (1) Adoption or amendment of an internal control system pursuant to Article 14-1. (2) Assessment of the effectiveness of the internal control system. (3) Adoption or amendment, pursuant to Article 36-1, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others. (4) A matter bearing on the personal interest of a director. (5) A material asset or derivatives transaction. (6) A material monetary loan, endorsement, or provision of guarantee. (7) The offering, issuance, or private placement of any equity-type securities. (8) The hiring or dismissal of an attesting CPA, or the compensation given thereto. (9) The appointment or discharge of a financial, accounting, or internal auditing officer. (10) Annual financial reports which are signed or sealed by the chairperson, managerial officer, and accounting officer. (11) Any other material matter so required by the company or the Competent Authority.
- counting, or internal auditing officer. (10) Annual financial reports which are signed or sealed by the chairperson, managerial officer, and accounting officer. (11) Any other material matter so required by the company or the Competent Authority.
2. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
- of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
- (1) Matters referred to in Article 14-5 of the Securities and Exchange Act.:

Date and Session of the Audit Committee	Resolution Content	Opinions of the Audit Committee	Measures taken by the Company based on the Opinions of the Audit Committee
2025/01/22 (4 th Meeting)	1. Audit unit proposed amendments to the “Internal Control System” and “Internal Audit System.”	Unanimity	

of the 2 nd Session)	2. Prior concurrence for Ernst & Young's performance of non-audit services.	Unanimity	None
2025/03/12 (5 th Meeting of the 2 nd Session)	1. Case approval for the recognition of 2024 annual parent company only financial reports and consolidated financial reports	Unanimity	None
	2. Case approval for the 2024 internal control statement.	Unanimity	None
	3. Evaluation of the independence and suitability of the Company's CPAs	Unanimity	None
2025/05/09 (6 th Meeting of the 2 nd Session)	1. Case approval for the Company's consolidated financial reports of the first quarter in 2025.	Unanimity	None
	2. Audit unit proposed amendments to the "Internal Control System" and "Internal Audit System."	Unanimity	None
	3. Amendments to certain articles of the "Internal Control System"	Unanimity	None
	4. Case review for the CPAs' audit fee.	Unanimity	None
2025/08/07 (7 th Meeting of the 2 nd Session)	1. Case approval for the Company's consolidated financial reports of the second quarter in 2025.	Unanimity	None
	2. Audit unit proposed amendments to the "Internal Control System" and "Internal Audit System."	Unanimity	None
2025/11/07 (8 th Meeting of the 2 nd Session)	1. Case approval for the Company's consolidated financial reports of the third quarter in 2025.	Unanimity	None
	2. Audit unit proposed amendments to the "Internal Control System" and "Internal Audit System."	Unanimity	None
	3. Please review the 2026 internal audit plan for the Company.	Unanimity	None
	4. Amendments to certain articles of the "Internal Control System"	Unanimity	None

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

3. For situations where independent directors recuse themselves from any motion due to conflict of interest, the independent directors' names, contents of motions, causes for the recusal, and participation in voting shall be specified:

During the 8th meeting of the 9th session of the Board of Directors held on August 7, 2025, the Board discussed the proposed plan for the distribution of the 2024 compensation for directors and supervisors. When reviewing the compensation for independent directors, independent directors CHEN, CHUN-SHENG, CHEN, HSIU-LING, HSIES, YI-CHEN recused themselves due to conflicts of interest. The remaining directors presenting at the meeting voiced no objection, and the matter was deemed approved.

4. Communications between the independent directors, internal audit officer, and CPAs (It shall include material issues concerning the finance and business of the Company, and the means and outcomes of communication):

Date	Nature	Communication topics	Recommendation from independent directors and the Company's implementation results
2025/01/22	Audit committee	(1) Audit report: Summary Report on the Review of Internal Control Deficiencies for the Fourth Quarter of 2024.	None
2025/03/12	Audit committee	(1) Communication matters with governance units after the CPAs' audit of the 2024 financial statements. (2) The CPAs discussed and communicated with the governance unit regarding the recent amendments applicable to the regulations.	None
2025/05/09	Audit committee	(1) Audit report: Summary Report on the Review of Internal Control Deficiencies for the First Quarter of 2025.	None
2025/08/07	Audit committee	(1) Audit report: Summary Report on the Review of Internal Control Deficiencies for the Second Quarter of 2025	None
2025/11/07	Audit committee	(1) Audit report: Summary Report on the Review of Internal Control Deficiencies for the Third Quarter of 2025. (2) Communication matters with governance units after the review for the third quarter of 2025 by the CPAs. (3) Communication with governance units prior to the critical audit matters for 2025 by the CPAs. (4) The CPAs discussed and communicated with the governance unit regarding the recent amendments applicable to the regulations.	None

2.3.3 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" on November 11, 2014. The information has been disclosed on Market Observation Post System and the Company's website.	None
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		1. To ensure the rights and interests of shareholders, the Company has established the "Spokesperson Appointment Regulations" and has set up a spokesperson, deputy spokesperson, and a dedicated stock transfer agency to assist with handling shareholders' suggestions, doubts, and disputes. 2. The Company's major shareholders who exercise effective control are all members of the Board of Directors. In addition, the stock transfer agency continuously monitors changes in equity, while the finance department keeps track of changes in shareholdings of directors, managerial officers, and shareholders with a stake of more than 5 percent. 3. The Company has developed written operating procedures, such as the "Operational Procedures for Group Enterprises, Specific Companies, and Related-Party Transactions," to regulate the activities of financial and business matters between the corporation and its affiliated enterprises. These procedures were approved by the Board of Directors.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V			None
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V			None

(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		4.The Company has established the “Procedures for the Prevention of Insider Trading” to prohibit insiders from trading securities based on undisclosed information in the market.	None
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	V		1. The Company passed “Corporate Governance Best-Practice Principles” at the 13 th meeting of the 5 th session of the Board of Directors on November 11, 2014, in which it includes a policy of diversification in Chapter Three “Strengthen the Powers of the Board of Directors.” The election of the Board members follows the Company’s Articles of Incorporation and complies with the “Regulations for the Election of Directors and Supervisors” and “Corporate Governance Best-Practice Principles” to ensure the diversity and independence of the Board members. The list of the 9 th session of the Company’s Board of Director are as follow: including T.C HUANG and FANG, I-HSIUNG who excels in leadership, operational judgement, and operational management; HUANG, CIN-MING and JHOU, YOU-YI for their future-oriented and international market perspectives; CAO, SIN-TAI and WANG, LIANG-KAI for their industrial expertise; and HSIES, YI-CHEN, CHEN, CHUN-SHENG, and CHEN, HSIOU-LING for their financial analysis, investment finance, legal affairs, and international marketing abilities. The Board of Directors include directors with an employee status (accounting for 11%), and three independent directors (accounting for 33%). The seniority of all three independent directors are less than six years. Four of the directors are over 70 years old, two are aged between 61 to 69, one is under 51 to 60 years old, and the other two are under 50 years old. In order to achieve the goal of gender equality, two female directors have been added to the 8 th session of the Company’s Board of directors. The Board of Directors has formulated a policy on diversity of its members and has disclosed its implementation status on the Company’s website and annual report. Please refer to page 3 and 6 of the annual report.	None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		2. The Company has established the Remuneration Committee, the Audit Committee and the Sustainable Development Committee.	Has not yet established the Nomination Committee and other functional committees.
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V		3.The Company has formulated rules and procedures for evaluating the Board’s performance since December 11, 2015. From then on, a self-assessment questionnaire was sent to all members of the Board of Directors in December of each year. The questionnaire evaluates not only the overall performance of the Board of Directors but also the individual performance of each member. The Company conducts the self-assessment of the Board’s performance. The five following aspects are taken into consideration: A. The degree of participation in the Company’s operations B. Improvement in the quality of decision making by the Board of Directors C. The composition and structure of the Board of Directors D. The election of the directors and their continuing professional education E. Internal controls Self-assessment of Board members. To evaluate the performance of each member effectively, the questionnaire contains the six following factors: A. Their grasp of the Company’s goals and missions B. Their recognition of director’s duties C. Their degree of participation in the Company’s operations D. Their management of internal relationships and communications E. Their professionalism and continuing professional education F. Internal controls After all the questionnaires are collected in January of the following year, the unit responsible for organizing the Board of Directors will analyze the results according to the aforementioned method and report the results to the Board of Directors. The evaluation results will serve as a reference for election or nomination of directors, and the results of individual directors’ performance evaluation will be used as a reference when determining their individual remuneration. The aforementioned method and evaluation results will also be disclosed on the Company’s website. The most recent (2025) performance evaluation results of the Board of Directors and its members are as follows (see Note 1 on page 15). The details of the aforementioned performance evaluation and subsequent improvement measures were reported to the Board of Directors on March 12, 2026.	None
(4) Does the company regularly evaluate the independence of CPAs?	V		The Audit Committee of the Company evaluates the independence and competency of CPAs annually. In addition to requesting the CPAs to provide a “Statement of Independent Spirit” and “Audit Quality Indicators (AQIs),” the evaluation is also conducted based on the criteria of 13 AQI indicators specified in Note 2 (see page 16). It has been confirmed that the accountants have no financial interest or business relationship with the Company other than the fees for visas and tax cases, and that the members of the accountant’s family do not violate the independence requirements. With reference to the AQI indicators information, it has been confirmed that the accountants and the firm have better audit experience and training hours than the industry average. The CPAs evaluation results for the most recent fiscal year were discussed and approved at the Audit Committee meeting held on March 12, 2026, and were reported at the Board meeting held on the same day. It is concluded that accountants, YU CIAN RU and LUQ IAN WEN of Ernst & Young, both fulfilled the evaluation standards for independence of the Company and are qualified to serve as CPAs for the Company.	None
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors with compliance, handling work	V		The Company’s Board of Directors has passed the resolution of appointing assistant vice president, KAO, SHIH-JUNG, as the direction of corporate governance to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Assistant vice president, KAO, SHIH-JUNG, has more than three years of experience in legal and administrative management in public companies. The primary duties of the	None

related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			corporate governance personnel are to provide the directors (including independent directors) with the information required for the execution of business, handling matters related to the meetings of the board of directors and shareholders' meeting according to law. Duties performed in 2025 are as follows: 1. Assist with providing directors (including independent directors) with information required for business execution and continuing education: (1) Regularly notify members of the board of directors of the latest revision and development of laws and regulations related to the company's business and corporate governance. (2) Check the confidentiality level of relevant information and provide the company information required by the directors to maintain smooth communication between directors and business executives. (3) In accordance with the regulations, independent directors will assist in arranging relevant meetings when they need to personally meet with the internal audit supervisor or certified accountant to understand the company's financial business. (4) Assist directors (including independent directors) in formulating their annual continuous education plans and arranging courses. 2. Assist in the procedures and resolutions of the board of directors and shareholders' meetings to comply with the law: (1) Report the Company's corporate governance operation to the board of directors, independent directors, and audit committee, and confirm whether the company's shareholders' meeting and directors' meetings are following relevant laws and corporate governance codes. (2) Assist and remind directors of the laws and regulations that should be abided by when executing business or making formal resolutions of the board of directors and make suggestions when the board of directors will make illegal resolutions. (3) After the meeting, the person in charge is responsible for reviewing and inspecting the material information regarding important resolutions made by the Board of Directors, ensuring the legality and accuracy of the information content, and safeguarding the equal availability of trading information for investors. 3. Maintain investor relations: Arrange exchanges and communication with major shareholders, institutional investors, or general shareholders as necessary, so that investors can obtain sufficient information to evaluate the reasonable capital market value of the enterprise, and the shareholders' rights and interests are well maintained. 4. Notify the directors seven days before the drafting of the agenda of the board of directors, convene the meeting and provide meeting materials. If the agenda needs to be avoided, it should be reminded in advance, and the minutes of the directors meeting of the board of directors should be completed within 20 days after the meeting. 5. Handle the pre-registration of the date of the shareholders' meeting according to the law, prepare the notice of the meeting within the statutory time limit, the meeting manual, the minutes of the directors meeting and handle the registration of changes in the revision of the articles of association or the election of directors. 6. The continuing professional education of the Company's managerial officers in 2025, please refer to page 26 of the annual report.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as all the issues they care for in terms of corporate social responsibilities?	V		1. The Company maintains open communication channels with its partner bankers, employees, customers, and suppliers, and respects their legal rights and interests. 2. The Company has set up "Investor Relations" and "Stakeholder" sections on its website to provide stakeholders with contact information for various related issues and ensure that they receive appropriate responses.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affair?	V		The Company designates Sino Pac Securities Stock Transfer Agency to deal with shareholder affairs. Address: 3F., No. 17, Bo'ai Rd., Zhongzheng Dist., Taipei City, Taiwan (R.O.C.). Tel: 02-2381-6288.	None
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		1. The Company's website: www.isheng.com.tw , which is maintained and updated by dedicated personnel. The website regularly provides information regarding the Company's finances, business operations, corporate governance, social responsibility, and legal seminars for shareholders and the public to reference.	None
(2) Does the company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		2. The Company has assigned dedicated personnel to handle information collection and disclosure. In addition, it has established a spokesperson system to ensure the information which may affect the decisions of shareholders and stakeholders is promptly disclosed. The process of the investor conference has been posted on the Company's website.	None
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		3. The Company announced and reported its financial statements for Q1, Q2, and Q3 and filed monthly operating status before the deadline. Please refer to Market Observation Post System (website: https://mops.twse.com.tw/)	The Company has not announced and reported annual financial statements within two months after the end of each fiscal year.
8. Is there any important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		1. The Company communicates with stakeholders through channels that are tailored to the nature of the related matters. The relevant business, procurement, and finance units directly communicate and engage with stakeholders. In case of any legal disputes, the administration department will assist in handling the matter. 2. Investor: a. Disclose on a regular basis the Company's financial statement through the Exchange's website and the annual report published each year, and conduct a review and analysis of the Company's operating conditions and data. b. Hold regular shareholders meetings to explain operational performance to investors and respond to their concerns. 3. Employee rights: a. To uphold the principle of fairness and non-discrimination and to provide equal employment opportunities for employees. b. To establish a sound compensation and welfare system and provide employees with reasonable treatment and incentives. c. To provide various education and training courses irregularly to enhance professional skills. 4. Client: Design green products and reduce the amount of hazardous substances used in products. 5. Media: Monthly release of operational	None

		information and occasional release of related operational results and development trends. 6. Supplier: Continuously promote green supply chain and assist suppliers in passing verification of the quality management system. Control the use of raw materials to ensure that the provided products and materials comply with green product requirements set by MERRY ELECTRONICS CO., LTD. 7. Community: a. Establish standard operating procedures, communication and participation methods related to environmental health and safety, and maintain good relationships with community residents. b. Continuous sponsorship of reading and music-related charity events. 8. Government department: Occasionally participate in seminars held by regulatory agency. 9. The implementation of risk management policies and risk evaluation measures: The Company holds at least five board meetings per year to monitor the Company's operation and risk control. The implementation of risk management policies and risk measurement standards: Please refer to page 27 of the annual report. 10. Directors' liability insurance and continuing education for directors: Please refer to page 26 of the annual report.	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. 1. In terms of improvements made: (1)The election of directors (including independent directors) is now based on a candidate nomination system. (2)Board members have met the annual required hours of training. 2. Proposed priority areas and measures for further improvement: (1) The establishment of a nomination committee has not been completed yet. (2) Ensuring gender equality in the election of Board members.			

Note 1. Performance evaluation of the Company's Board of Directors and the functional committee in 2025

To enhance the efficiency and effectiveness of the Company's Board of Directors, the Board conducts self-assessment at the end of each year in accordance with the Company's regulation of "Self-assessment of the Board of Directors or Peer Evaluation Methods." The evaluation results and improvement plans are then submitted to the Board. The results of the questionnaire are summarized as follows:

1. Evaluation method: Evaluation method: Including the board of directors, board members (self or peer), and functional committee self-assessment questionnaire.
2. Assessor: Members of the board of directors and the functional committee of the Company.
3. The levels of the questionnaire are divided into five categories with corresponding scores: 1. Strongly Agree: 5. 2. Agree: 4. 3. Neutral: 3. 4. Disagree: 2. 5. Strongly Disagree: 1.
4. Self-assessment result:

Self-assessment on performance evaluation by the company's board of directors

Evaluation Item	Dimension Indicator	Self-assessment Indicator	Achievement Rate
A. The degree of participation in the Company's operations	75	69.78	93.04%
B. Improvement in the quality of decision making by the Board of Directors	60	57.45	95.75%
C. The composition and structure of the Board of Directors	35	33.78	96.51%
D. The election of the directors and their continuing professional education	35	32.45	92.71%
E. Internal controls	35	32.78	93.66%
Total	240	226.24	94.27%

Improvement on the evaluation item: The number of female directors has not reached one-third of the total directors.

Self-assessment by directors and peer evaluation (9 people)

Evaluation Item	Dimension Indicator	Self-assessment Indicator	Achievement Rate
A. Their grasp of the Company's goals and missions	15	14.11	94.07%
B. Their recognition of director's duties	15	14.45	96.33%
C. Their degree of participation in the Company's operations	40	38.12	95.30%
D. Their management of internal relationships and communications	15	14.22	94.80%
E. The professionalism and continuing professional education	15	14.33	95.53%
F. Internal controls	15	14.22	94.80%
Total	115	109.45	95.17%

Improvement on the evaluation item: None.

Self-assessment on performance evaluation by the audit committee (3 people)

Evaluation Item	Dimension Indicator	Self-assessment Indicator	Achievement Rate
A. Their degree of participation in the Company's operations	20	19.00	95.00%
B. Their recognition of the duties of the functional committee	40	37.67	94.18%
C. Improvement in the quality of decision making by the functional committee	35	33.00	94.29%
D. The composition of the functional committee, and election and appointment of committee members.	20	19.00	95.00%
E. Internal controls	15	14.33	95.53%
Total	130	123.00	94.62%

Improvement on the evaluation item: None.

Self-assessment on performance evaluation by the remuneration committee (3 people)

Evaluation Item	Dimension Indicator	Self-assessment Indicator	Achievement Rate
A. Their degree of participation in the Company's operations	20	18.67	93.35%
B. Their recognition of the duties of the functional committee	40	37.00	92.50%
C. Improvement in the quality of decision making by the functional committee	35	32.67	93.34%
D. The composition of the functional committee, and election and appointment of committee members.	20	18.67	93.35%
E. Internal controls	15	14.00	93.33%
Total	130	121.01	93.08%

Improvement on the evaluation item: None.

Self-assessment on performance evaluation by the sustainable development committee (3 people)

Evaluation Item	Dimension Indicator	Self-assessment Indicator	Achievement Rate
A. Their degree of participation in the Company's operations	20	17.00	85.00%
B. Their recognition of the duties of the functional committee	40	34.67	86.68%
C. Improvement in the quality of decision making by the functional committee	35	31.67	90.49%
D. The composition of the functional committee, and election and appointment of committee members.	20	18.33	91.65%
E. Internal controls	15	14.33	95.53%
Total	130	116.00	89.23%

Improvement on the evaluation item: The Company has only established the remuneration committee and the audit committee and sustainable development committee, but appropriate and sufficient functional committees (such as nomination committee, risk management committee) have not yet been established.

Note: 2. Evaluation of the independence of CPAs

Evaluation Item	Evaluation Result	Independence
There has been no situation where the Company has engaged the same CPA without replacement for 7 years consecutively as of the most recent audit.	No	Yes
Whether the CPA has a direct or indirect substantial financial interest with the Company.	No	Yes
Whether the CPA engages in any financing or guarantee for the Company or its directors.	No	Yes
Whether the CPA has a close business relationship or potential employment relationship with the Company.	No	Yes
Whether the CPA and audit team members held the position as director, managerial officer, or any position materially critical to the audited case in the most recent two years.	No	Yes
Whether the CPA has provided the Company with non-audit services that may directly affect the audit work.	No	Yes
Whether the CPA has served as a broker for the shares or other securities issued by the Company.	No	Yes
The CPA has not received gifts or special offers of value from the Company, or its directors, supervisors, managerial officers, and major shareholders.	No	Yes
Whether the CPA has acted as the Company's defender or represented the Company in coordinating conflicts with other third parties.	No	Yes
Whether the CPA is a relative of any director or manager of the Company or a person with a significant influence on the audit work.	No	Yes

AQI Disclosure Framework and Template, which set out 13 indicators covering 5 scopes

Professionalism	Quality control	Independence	Monitoring	Creativity
- Audit experience - Training hours - Attrition rate - Professional support	- Workload - Involvement - Engagement Quality Control Review (EQCR) - Quality supporting capacity	- Non-audit service - Familiarity	- External inspection results & enforcement - Number of official improvement letters issued by authority	Innovative planning or initiatives

2.3.4 If the company has a remuneration committee in place, the composition, responsibility, and operation of such committee shall be disclosed:

(1) Information on Remuneration Committee Members

Capacity	Qualifications Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Numbers of other public companies at which the person concurrently serve as remuneration committee member	Remarks
Independent Director Convener	CHEN, CHUN-SHENG	Senior investment manager of Nan Shan Life Insurance Co., Ltd. 、Fubon Securities Co., Ltd., Head of the Proprietary Department	1. The independence requirement as stipulated in Article 6-1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange is met.	-	-
Independent Director	CHEN, HSIU-LING	Director and President of Citi Private Bank in HongKong	2. There are no circumstances under any subparagraph of Article 30 of the Company Act.	-	-
Independent Director	HSIES, YI-CHEN	Sales Section Manager of Pegatron Corporation; Business manager of INVENTEC CORPORATION		-	-

Note1: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. If the member is an independent director, you may add a note directing readers to refer to the relevant information in Table 1 Information on Directors and Supervisors (1) on page 6.

Note 2: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

(2) Operations of the Remuneration Committee

- ① There are 3 members in the Company's Remuneration Committee
- ② The term of the current members is from July 20, 2024 to July 20, 2027. A total of 2 (A) Remuneration Committee meetings were held in the previous period. The qualification and attendance record of the Remuneration Committee members were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	CHEN, CHUN-SHENG	2	2	100.00%	-
Committee Member	CHEN, HSIU-LING	2	2	100.00%	-
Committee Member	HSIES, YI-CHEN	2	2	100.00%	-
Remuneration Committee	Resolution Content & Follow-up			Resolution Result	The Company’s handing of the remuneration committee’s opinions
6 rd Meeting of the 5 th Session 2025/01/14	1. Review the proposal for the provision of 2024 director and employee compensation. 2. Review the proposal for the confirmation of 2024 year-end bonus for managerial officers of the Company.			Approved by all committee members	Approved by all attending members of the Board
2 th Meeting of the 6 th Session 2025/07/30	1. Review the proposal for the 2024 distribution of director compensation. 2. Review the proposal for the 2024 distribution of employee compensation for managerial officer compensation.			Approved by all committee members	Approved by all attending members of the Board
Other mentionable items: 1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company’s response to the remuneration committee’s opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None. 2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members’ opinions, and the response to members’ pinion should be specified: None ommittee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members’ opinions, and the response to members’ pinion should be specified: None					

2.3.5 Fulfillment of CSR and Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”:

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		In August 2024, I-SHENG Industrial established the “Sustainable Development Committee”, with the general manager serving as the convener and the management department responsible for secretarial duties. Through the five working groups of corporate governance, social welfare, environmental sustainability, customer care, and employee care, the Company effectively integrates resources and improves corporate governance efficiency. The Company's working groups regularly discuss with the stakeholders of their business integrate corporate social responsibility into their business strategies. In a purposeful, systematic and organized manner, the Company deeply cultivates its responsibilities and fulfills its commitments to corporate social responsibility. The “Sustainable Development Promotion Team” held a total of two meetings in 2025. The resolutions include: (1) Identifying sustainable issues that require attention and formulating action plans in response; (2) Revising goals and policies related to sustainability issues; (3) Monitoring the implementation of sustainable management issues and evaluating their progress. The implementation status of 2025 has been reported to the Board of Directors on January 30, 2026; the Board of Directors is concerned with the progress of greenhouse gas inventory and assurance of the parent company and subsidiaries among the Group's companies, and inquired about the execution countermeasures of greenhouse gas reduction goals.	None
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		1. This data covers the Company's performance in sustainable development at key locations from January to December 2025. The risk assessment boundary is primarily based on the Company, including its existing locations in Taiwan, China, and Vietnam. In addition, I-SHENG (Shenzhen) Co., I-SHENG (Kunshan) Co., and I-SHENG (Vietnam) Co. are included within the scope, based on their relevance to the Company's operations and the significant impact they have on key topics. 2. The “Risk Management Group” of the Company conducts analysis based on the materiality principle of sustainability reports, communicates with internal and external stakeholders, and evaluates ESG issues of materiality by reviewing domestic and international research reports and literature, as well as integrating evaluation information from various departments and subsidiaries. Based on this, we formulate risk management policies and specific action plans to effectively identify, measure, evaluate, monitor, and control these issues in order to reduce the impact of related risks. 3. Please refer to page 27 of the annual report for the relevant risk management policies or strategies based on the assessed risks.	None
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		1. Since obtaining ISO14001 certification for our environmental management systems in 2002, the Company has established environmental management systems in accordance with ISO14001 at all our domestic and overseas plants. We have continued to pass third-party verifications and conduct annual greenhouse gas inventories in compliance with ISO14064-1, tracking the effectiveness of our emission reduction efforts and publicly disclosing the information on the Company's website. (https://www.isheng.com.tw)	None
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		2. a. The Company has appointed qualified manufacturers to handle waste recycling operations. b. The Company has set up resource recycling bins for resource sorting and has appointed external instructors to promote resource recycling among internal employees. c. The Company's management department is responsible for environmental management, and a designated person is assigned to clean each building daily to maintain a clean environment. d. The Company controls the temperature of air conditioners in summer to use energy effectively to achieve the goal of energy-saving and carbon reduction. e. We cooperate with downstream customers to provide green and environmentally friendly products. The Company is committed to continuously improving the efficiency of resource utilization, such as using glass cups for drinking water, employees bringing their own cups and lunch boxes, and using environmentally friendly tableware to reduce the use of paper lunch boxes. We also reuse envelopes and kraft paper bags and used them as internal document delivery bags. To prevent environmental pollution and waste of resources caused by discarded toner cartridges, used toner cartridges of photocopiers and printers are collected and recycled by the original manufacturer.	None
(3) Does the company evaluate the potential risks and opportunities			3. The primary objective of the Company is to promote the development of a circular economy, with a strong emphasis on issues related to	None

in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V	climate change. In our daily office operations, we encourage the reuse of resources, such as the use of electronic invoices and the adoption of a government electronic document exchange mechanism. These measures have made document processing more convenient while saving time, reducing paperwork, and lowering postage costs. To reduce paper consumption and other resource usage, we encourage double-sided using of the paper and providing a resource recycling rack next to the photocopier for paper recycling and reuse. Additionally, we have implemented various energy-saving measures, such as setting the air-conditioning temperature to 28 degrees Celsius during summer, using energy-efficient LED lighting, and enforcing a mechanism to turn off lights during lunch break and after work to reduce electricity and energy consumption, and mitigate the effects of global warming. 4. Greenhouse gas emissions (Taiwan plant and overseas plant): In 2024 and 2023, the inventory of Scopes 1, 2 & 3 in domestic and overseas factories has been completed with external verification of AFNOR, UL/DQS, and CCIC obtained. For details of explanations, please refer to page 23 of the annual report. Water consumption (Taiwan plant and overseas plant): <table><tr><th>Year</th><th>Taiwan plant</th><th>Overseas plant</th></tr><tr><td>2024</td><td>11.047 tons</td><td>273.527 tons</td></tr><tr><td>2025</td><td>9.698 tons</td><td>273.539 tons</td></tr></table> Water management goal and policy To fulfill our CSR and respond to the issue of global water shortage, the Company set 2018 as the baseline year and aims to lower overall water consumption intensity (total water consumption/US\$1 million of output value) by 10% before 2030. In addition, the Company’s improvement measures include the use of recycled water for process water and efforts to recycle and reuse water resources to increase water production. Total weight of waste Taiwan plant: <table><tr><th>Year</th><th>Total amount of hazardous waste</th><th>Total amount of non-hazardous waste</th></tr><tr><td>2024</td><td>0 tons</td><td>33.345 tons</td></tr><tr><td>2025</td><td>0 tons</td><td>35.825 tons</td></tr></table> overseas plant: <table><tr><th>Year</th><th>Total amount of hazardous waste</th><th>Total amount of non-hazardous waste</th></tr><tr><td>2024</td><td>0 tons</td><td>1,305.985 tons</td></tr><tr><td>2025</td><td>0 tons</td><td>1,306.993 tons</td></tr></table> Waste management goal and policy The Company’s waste management goal is to reduce the total amount of waste and promote the reuse of waste as a strategy. Through process technology improvement, we aim to reduce defective waste lines and loss of raw materials to achieve waste reduction. Our annual waste reduction target is a reduction of 10% per year. To achieve resource reuse, our Company’s waste disposal principle prioritizes in-plant reuse to reduce the use of raw materials, followed by recycling and reuse, and only then incineration or burial.	Year	Taiwan plant	Overseas plant	2024	11.047 tons	273.527 tons	2025	9.698 tons	273.539 tons	Year	Total amount of hazardous waste	Total amount of non-hazardous waste	2024	0 tons	33.345 tons	2025	0 tons	35.825 tons	Year	Total amount of hazardous waste	Total amount of non-hazardous waste	2024	0 tons	1,305.985 tons	2025	0 tons	1,306.993 tons	None
Year	Taiwan plant	Overseas plant																												
2024	11.047 tons	273.527 tons																												
2025	9.698 tons	273.539 tons																												
Year	Total amount of hazardous waste	Total amount of non-hazardous waste																												
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2024	0 tons	1,305.985 tons																												
2025	0 tons	1,306.993 tons																												
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V	The Company has established International Bill of Human Rights (which have been posted on the Company’s website) and developed related management policies and procedures in compliance with the relevant laws and regulations as follows: 1.a. In accordance with the Labor Standards Law and other relevant labor laws and regulations, we have established personnel management rules and work rules for our employees, and administered employee labor insurance, national health insurance and pension matters in accordance with the relevant laws and regulations. Furthermore, in compliance with the Sexual Harassment Prevention Act and the Act of Gender Equality in Employment, the Company has established the “Rules for Prevention, Complaint and Punishment of Sexual Harassment” to provide employees with a work and service environment free from sexual harassment. b. The human rights management policies and concrete programs are summarized as follows: <table><tr><th>Human Rights Management Policies</th><th>Summary of Concrete Programs</th></tr><tr><td>Provide a safe and healthy working environment.</td><td>For details of relevant explanations, please refer to “Occupational safety and sanitation implementation results” of labor relations on page 41.</td></tr><tr><td>Assist employees in maintaining balance between physical & mental health, and work & life.</td><td>One-hour break at noon is given to provide colleagues with sufficient time for rest and dining.</td></tr></table>	Human Rights Management Policies	Summary of Concrete Programs	Provide a safe and healthy working environment.	For details of relevant explanations, please refer to “Occupational safety and sanitation implementation results” of labor relations on page 41.	Assist employees in maintaining balance between physical & mental health, and work & life.	One-hour break at noon is given to provide colleagues with sufficient time for rest and dining.	None																					
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(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V	<table><tr><td>Carry out the policy of “Three Highs”, i.e. high salary, high development, and high care.</td><td>Provide a complete and smooth promotion channel.</td></tr><tr><td>Prohibit forced labor, and abide by the local government’s labor laws and regulations.</td><td>Fulfill the leave system, and encourage colleagues to pay attention to balance between work and life.</td></tr><tr><td>Related training to human rights protection.</td><td>Each employee has to receive one-our regulatory training every year (including human rights related issues); in 2025, the training hours in the domestic factories: 141 hours; the training hours in the overseas factories: 2,719 hours.</td></tr></table>	Carry out the policy of “Three Highs”, i.e. high salary, high development, and high care.	Provide a complete and smooth promotion channel.	Prohibit forced labor, and abide by the local government’s labor laws and regulations.	Fulfill the leave system, and encourage colleagues to pay attention to balance between work and life.	Related training to human rights protection.	Each employee has to receive one-our regulatory training every year (including human rights related issues); in 2025, the training hours in the domestic factories: 141 hours; the training hours in the overseas factories: 2,719 hours.	None																												
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2. The policy of employee compensation is determined based on individual ability, contribution to the company, performance, competitiveness, and consideration of the Company’s future operational risks. As stipulated in Article 34 of the Company’s Articles of Incorporation, if the Company earns a profit for the fiscal year, it shall set aside no less than 2% of the profit as employees’ compensation. The Board of Directors shall determine the distribution of such compensation in the form of stock or cash, and the recipients of such compensation may include employees of the Company’s subsidiaries who meet certain criteria. The Company has established the “Personnel Regulations,” “Employee Appraisal and Evaluation Management Regulations,” and “Articles for the Organization of Labor-Management Meeting” to promote corporate ethics, employee performance, reward, and disciplinary systems. The talent, systems, and foresight have been set as the assessment indicators to correspond to the important mission of corporate social responsibility and people-oriented corporate sustainable development, aiming to enhance the Company’s future international competitiveness.																																					
b. Employee benefit plans: For details of relevant explanations, please refer to “Employee lifecare” on page 41, and “Employee benefits and bereavement compensation” on page 42.																																					
c. Workplace diversification and equality: Achieve equal pay for equal work and equal promotion opportunities for men and women. In 2025, the female employees accounted for a ratio of 34%, and female managerial officers for 23%.																																					
		d. The Company is committed to providing a work environment where employees are treated with dignity and safety. We implement employment diversity and fairness in remuneration and promotion opportunities, ensuring that employees are not subjected to discrimination, harassment, or unequal treatment based on race, gender, religious belief, age, political affiliation, or any other status protected by applicable laws and regulations. We put much focus on workplace diversity and employ staff with disabilities. Furthermore, we respect the cultural customs of our foreign migrant workers and indigenous employees, and we have never involved any incidents that violated their work and human rights.																																			
		e. The Company establishes the “Remuneration Committee” in order to provide our employees with a competitive remuneration, and formulate a transparent and equal remuneration policy to give feedbacks to them based on our operational performance. In terms of the non-executive specialists in the same job category, those recruited staff are all paid equally. Besides, those employees who have relevant professional and work experience will be paid without differentiation, on the basis of admittees’ education, work experience, expertise, certificates & licenses acquired, etc., regardless of gender or tribes.																																			
		<table><tr><td>Item</td><td>Female/Male</td><td>Type of Remuneration</td><td>2024</td><td>2025</td></tr><tr><td rowspan="8">Rank</td><td rowspan="2">High-ranking managerial officer</td><td>Monthly Salary (%)</td><td>30</td><td>31</td></tr><tr><td>Bonus (%)</td><td>32</td><td>32</td></tr><tr><td rowspan="2">Mid-level managerial officer</td><td>Monthly Salary (%)</td><td>24</td><td>25</td></tr><tr><td>Bonus (%)</td><td>26</td><td>26</td></tr><tr><td rowspan="2">Junior managerial officer</td><td>Monthly Salary (%)</td><td>49</td><td>50</td></tr><tr><td>Bonus (%)</td><td>59</td><td>60</td></tr><tr><td rowspan="2">General staff</td><td>Monthly Salary (%)</td><td>26</td><td>60</td></tr><tr><td>Bonus (%)</td><td>176</td><td>177</td></tr></table>	Item	Female/Male	Type of Remuneration	2024	2025	Rank	High-ranking managerial officer	Monthly Salary (%)	30	31	Bonus (%)	32	32	Mid-level managerial officer	Monthly Salary (%)	24	25	Bonus (%)	26	26	Junior managerial officer	Monthly Salary (%)	49	50	Bonus (%)	59	60	General staff	Monthly Salary (%)	26	60	Bonus (%)	176	177	
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	General staff	Monthly Salary (%)	26	60																																	
		Bonus (%)	176	177																																	
		f. Our operational performance is reflected on the employee remuneration: As set forth in the articles of incorporation, based on the profitability (pre-tax profit before distribution of the remuneration for																																			

(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V	employees and directors) in the current year, the company shall reserve, in advance, an amount to cover the accumulated losses; in case of balance, the compensation for employees shall be allocated, and calculated by no less than 2% of the company's profits in the current year. Those employees for remuneration distribution shall include employees of affiliated companies who meet specific criteria. g. Overall remuneration policy: The company participates in the market salary survey each year. We maintain our overall remuneration competitiveness according to market salary standards, economic trends, and individual performance pay raise. In 2025, the Company's annual average pay raise was 2% - 3%, including managerial and non-manual employees. 3. The Company implements necessary measures for employees to perform their job safely and healthily, in compliance with relevant occupational safety and health laws and regulations. These measures include safety and health education, disaster prevention training, and health management. We set up emergency escape routes and exits and regularly organize elevator equipment maintenance. We prepare fire safety facilities and organize regular fire drills, disinfection of the work environment, water quality monitoring, and access controls. Other protective measures for employee safety are in accordance with labor-related laws and regulations and the Company's internal welfare measures. The Company also provides regular health checkups for employees and cares about their actual health issues. The number of employee occupational accidents in 2025: 0. Number of fire accidents in 2025: 0. For details related to "Occupational safety and sanitation implementation results", please see page 41.	None
(4) Does the company provide its employees with career development and training sessions?	V	4. All departments of the Company cooperate with their work content to participate in external training to enhance their professional abilities. We provide comprehensive and diverse resources to assist colleagues in continuous improvement and broadening their vision. The Company is committed to building a comprehensive and diverse career development path. In 2025, 50 persons completed the career training in a total of 400 hours.	None
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V	5. The Company's "Ethical Corporate Management Best Practice Principles" stipulates that its personnel shall adhere to intellectual property-related laws and regulations, comply with applicable regulations and international standards, and regulate business activities, consumer and customer protection policies, and grievance procedures in order to conduct business with integrity.	None
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V	6. Considering suppliers as our partners, the Company guides them for long-term cooperation, plan a total supplier management solution, and conduct control and counseling based on the following guidelines in anticipation of building up a supply chain management mechanism with sustainable growth. a. Execution guidelines: Comply with the Company's "Code of Ethical Conduct for Employees", and "Supplier Code of Conduct"; meet evaluation in aspects of supplier quality/cost/delivery time/service, etc. b. Risk rating: Find out defective suppliers during execution; conduct risk level classification according to the Company's "Supplier Evaluation Mechanism", and include those suppliers with the rating scores lower than the Company's requirements in the high-risk manufacturers; those suppliers who are found defective during audit or daily order execution will be included in the mid-risk manufacturers. c. On-site audit: Company with the Company's "Supplier Audit Mechanism" to conduct one-site audit; the Company will conduct one-site audit against suppliers; during the process of audit, we will offer counseling and recommended improvement matters, and make an audit report to ask the suppliers to make improvements; the Company will reduce our trading volume or even terminate transaction with those manufacturers with audit results lower than the Company's requirements.	None
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third-party verification unit?		V The Company has completed preparation of the 2024 Sustainability Report, the report of which has been approved by the board meeting before August 31, 2025. We handle the same by complying with "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", and the latest released GRI Sustainability Reporting Standards, 2021, and referring to the latest released standards of Sustainability Accounting Standards Board (SASB), along with TCFD (Task Force on Climate-related Financial Disclosures). The CRI standards index table, SASA, and TCFD are all disclosed in the appendices of this report for stakeholders' reference and understanding.	We have not yet obtained assurance of the third-party verification unit for our 2024 Sustainability Report.
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: None. The Company conducts corporate governance in accordance with the Company Law and relevant regulations of the Securities and Futures Bureau, and has covered the key			

governance principles.
7. Other useful information for explaining the status of corporate social responsibility practices: In response to environmental protection, the Company requires its employees to use electronic documents as much as possible to replace paper, and to make good use of the blank sides of waste documents for recycling. In 2023, the Company donated to the following charitable organizations in the field of education and culture and government agencies: 1. NT\$100,000 for the Chinese Taipei Tennis Association; 2. NT\$660,000 for promotion and development of affairs of the College of Medicine, National Taiwan University; 3. NT\$200,000 for charity performance of Tang Mei Yun Taiwanese Opera Company; 4. NT\$150,000 for Taiwan Health Promotion Foundation; 5. NT\$766,000 donation for scholarship and teaching equipment, etc. of Nan An Primary School and Kang Ming Senior High School; 6. NT\$200,000 for Ciyue Social Welfare and Charity Foundation; 7. NT\$240,000 for the Association of Happy Learning; 8. NT\$240,000 for Puren Youth Care Foundation.

Implementation of Climate-related Information

Items	Execution Status		
Description on the Board and Management's oversight and governance on climate-related risks and opportunities	In order to combat climate change, global warming, social responsibility and sustainable management, I-SHENG Group has set up a Corporate Sustainability Group (ESG), with the Chairman of the Board of Directors as the convener and the Vice General Manager as the Chief Executive Officer of the ESG Group, who is responsible for the co-ordination of the six working groups on "Corporate Governance", "Environmental Protection", "Customer Relations", "Employee Caring", "Social Involvement", "Cyber Security", and "Risk Management", with the chief executives of the working groups being appointed by the Chief Executive Officer. The Chief Executive Officer of ESG is responsible for integrating the work implementation teams to compile the annual plan and implementation results and coordinating and tracking the implementation of the approved annual plan by each work team, and the former annual plan and implementation results shall be submitted to the Board of Directors on a regular basis. The Group has formulated a "Risk Management Policy" in 2020 to incorporate climate change risk management into the overall risk management process of the Consolidated Company. In addition, other functional committees are also responsible for the governance of some climate-related issues, including: the "Remuneration Committee" which meets semi-annually to discuss, evaluate and review the remuneration of managers for ESG-related performance (including the management of climate change-related issues), and incorporate climate-related objectives and the degree of achievement of the objectives into the performance evaluation and remuneration system of senior executives, in order to monitor and control the achievements of the objectives of the climate-related issues. By linking the compensation system to the results of climate change management, management is encouraged to operate the Company's business in a manner that is both profitable and sustainable for the Company; as a result, the Company's sustainability objectives will be achieved and value will be added to investors and stakeholders.		
Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long-term)	Short-term (1-3 years)	Medium-term (3-5 years)	Long-term (more than 5 years)
	Transitional Risk : Voluntary compliance (SBT Commitment), uncertainties in market information. Physical Risk : Increased severity of extreme weather events such as typhoons and floods. Opportunity : Use of low-emission energy, shift to distributed energy production, development or expansion of low-carbon products and services, R&D and innovation of new products and services, supportive policy incentives.	Transitional Risk : Enhance emission reporting obligations, the transition costs of moving to a low carbon economy, changes in customer behavior, stakeholder concerns and increased negative feedback, requirements and monitoring of products and services. Opportunity : Towards more efficient buildings, access to public departmental incentives, new market partnerships.	Transitional Risk : Price increase for greenhouse gas emissions (total control/carbon tax/energy tax) Physical Risk : Average temperature rise Opportunity : Use more efficient production and distribution processes
	The Company faces significant climate risk, mainly from the requirements of key stakeholders, such as customers and investors, to reduce greenhouse gas emissions and comply with product energy efficiency standards, while the opportunities arising from climate change are mainly in the product and service sectors. The Company's diversified and sustainable product lines are expected to receive supportive policy incentives and respond to market demand with energy-saving and waste-reducing products and services that will develop new markets.		
	Transitional Risk	Physical Risk	Climate Opportunity
	In order to respond to the risk of changes in compliance and green standards, the Company has actively responded to relevant international regulations and has adopted international standards for self-expectation to reduce the risk of renewable energy costs. We are actively developing green designs to help customers reduce costs and improve efficiency with a combination of high energy conversion rates and low-carbon products. Green design is based on life cycle thinking and incorporates the 3R principles (Recycle, Reuse, Reduce) into product development, with the goal of environmentally friendly products that are non-toxic, easy to assemble, easy to disassemble, and consume less energy.	In order to reduce the impact of water shutdowns, the relevant plants have been investing in water conservation facilities, strengthening water recycling, extending insurance coverage to the relevant areas, and drawing up emergency contingency plans to reduce operational losses caused by disaster risks.	The Company has laid a solid foundation for long-term cultivation and sustainability and has maintained close and trusting relationships with customers for many years. By actively utilizing its core technologies in light and power and investing in research and development in response to market demand, the Company will have the opportunity to gain customers' preferences in a wide range of green products and solutions, and to increase revenues in the face of the rising tide of sustainability.
Description on the impact extreme climate events and transitional actions have on finance	Impact of Extreme Climate Events on Finance Through internal discussions, stocktaking and evaluation, the Consolidated Company identified potential risks at the production or transport stage from floods and droughts, as well as changes in precipitation patterns and extreme changes in weather patterns. Flooding caused by heavy rainfall will result in suspension of work at operation points and damage to equipment resulting in short-term non-delivery of goods; while drought and water shortage will affect the normal operation of production lines, and in times of water shortage, it will be necessary to maintain the supply of goods by means of lowering the amount of water used, transporting water by water trucks across districts or redeploying water to other factories, which will result in an increase in operating costs. The extreme variations in precipitation patterns and climate patterns, mainly in terms of rainfall intensity and the concentration of rainy season conditions, will reduce the efficiency of land transport carriage, which is not conducive to the delivery of raw materials and finished products, and		

	will result in higher transport costs. In addition, regarding the risk of flooding and changes in precipitation patterns caused by typhoons and extreme changes in climate patterns, the Consolidated Company has analyzed the operational and financial impacts on each of its sites based on the Taiwan Climate Change Projections Information and Adaptation Knowledge Platform (TCCIP) and the Chinese Academy of Sciences (CAS) in Mainland China, respectively, and the analysis showed that the risk to each of its sites would increase. The Consolidated Company's planning not only evaluates the existing risk issues, but also expects to incorporate the high temperature risk, so as to strengthen the management and strategy of the Consolidated Company's climate adaptation. Impact of transitional actions on Finances Under transitional risk, the transition to a low-carbon economy is probably subject to a wide range of policy and regulation, technological and market changes. According to the nature, speed and significance of the changes mentioned above, carbon fee and total greenhouse gas control, renewable energy regulations, and changes in consumer preferences may increase operating costs or decrease sales volume over the analyzed timeframe. Therefore, the Consolidated Company focuses on the analysis of operating costs. In the context of the low carbon transition, the financial impact of carbon pricing on the Consolidated Company will result in an increase in the Company's own operating and supply chain costs. The Consolidated Company will respond to these transitional risks by introducing energy saving and carbon reduction projects, pursuing the maximum extent possible in its operations and supply chain to minimize the climate impact of energy consumption, water consumption and waste; improving energy efficiency and investing in green energy equipment; and investing in research and development of green products to meet consumer demand. The financial impact of this project on the Consolidated Company will result in an increase in the Company's own capital investment and operating costs.						
Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system	The "Risk Management Policy" was formulated on November 10, 2020 and approved by the Board of Directors as the highest guiding principle for risk management of the Company ; The Company's risk management team conducts risk factor identification on a regular basis every year to identify relevant risks that may affect the sustainable development of the Company, to screen out risk management areas, and to monitor potential risks and implement preventive measures in accordance with the latest development of internal auditing and standard requirements to strengthen risk management. ; Risk management policies are formulated for each risk, covering management objectives, organizational structure, attribution of authority and responsibility, risk management procedures and other mechanisms, and implemented to control the risks arising from business activities within an acceptable range.						
Should scenario analysis is used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided	Contextual analyses have not been used to assess the resilience to climate change risks.						
Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks	The Consolidated Company has drawn up a low-carbon transition plan, which will focus on the reduction of direct emissions from operating activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions from the value chain (Scope 3) respectively. The implementation program includes : 1. Continuing to actively and independently reduce carbon emissions: Research and development of advanced technologies, enhancement of energy productivity and efficiency, and minimization of carbon emissions during the manufacturing and product use stages. 2. Adoption of renewable energy: Significantly increase the proportion of renewable energy use and extend it to the value chain, so as to support the low-carbon energy transition through practical actions. The consolidated company uses 2020 as the base year for comparison, and the indicators and targets for identifying and managing entity risk and transformation risk are as follows: 1. Transitional Risk: The amount and percentage of operating activities that are susceptible to the impacts of the transition to a low-carbon economy. The percentage of operating costs of susceptible commodities to the total operating costs in the current year is taken as an indicator, which is 2% from 2023 and gradually decreases to 1.0% in 2030. 2. Physical risk: The amount and percentage of assets that are susceptible to the effects of climate change (including floods and droughts). The carrying amount of susceptible property, plant and equipment as a percentage of total assets is taken as the indicator, which is 2% from 2020, gradually decreasing to 1.0% in 2030.						
Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained	Internal carbon pricing is not used as a planning tool.						
Should climate-related targets be in place, information such as their scope of action, GHG emissions, planned timeline, and yearly 8 achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated	Climate related targets have not yet been set.						
Greenhouse Gas Inventory and Assurance Status with Reduction Targets, Strategies and Specific Action Plans (also fill in section 1-1 and 1-2).	Greenhouse Gas Inventory and Assurance of the Company in the most recent two years. 1.1 Greenhouse Gas Inventory and Assurance Information <table border="1"> <tr> <td colspan="2">Description of GHG emissions (metric tons CO₂ e), intensity (metric tons CO₂ e/million) and data coverage for the most recent two years.</td></tr> <tr> <td>2024</td><td>2023</td></tr> <tr> <td>Completion of Scope 1 、 2 and 3 inventory and obtaining external verification from AFNOR, UL/DQS and CEC.</td><td>Completion of Scope 1 、 2 and 3 inventory and obtaining external verification from AFNOR, UL/DQS and CEC.</td></tr> </table>	Description of GHG emissions (metric tons CO ₂ e), intensity (metric tons CO ₂ e/million) and data coverage for the most recent two years.		2024	2023	Completion of Scope 1 、 2 and 3 inventory and obtaining external verification from AFNOR, UL/DQS and CEC.	Completion of Scope 1 、 2 and 3 inventory and obtaining external verification from AFNOR, UL/DQS and CEC.
Description of GHG emissions (metric tons CO ₂ e), intensity (metric tons CO ₂ e/million) and data coverage for the most recent two years.							
2024	2023						
Completion of Scope 1 、 2 and 3 inventory and obtaining external verification from AFNOR, UL/DQS and CEC.	Completion of Scope 1 、 2 and 3 inventory and obtaining external verification from AFNOR, UL/DQS and CEC.						

	Parent company : 43.7795 metric tons CO2e of direct GHG emissions; (Scope 1) 、 Indirect GHG emissions 2,325.8346 metric tons of CO2e; (Scope 2) 、 Other indirect GHG emissions 1,176.831 metric tons of CO2e; (Scope 3) Total: 3,487.2972 metric tons of CO2e Consolidated Financial Statements Subsidiaries: Direct GHG emissions of 487.7055 metric tons of CO2e; (Scope 1) 、 Indirect GHG emissions 15,422.17 metric tons of CO2e; (Scope 2) 、 Other indirect GHG emissions 9,048.7118 metric tons of CO2e; (Scope 3) Total: 24,958.5873 metric tons of CO2e Intensity: 3.8632	Parent company : 75.2173 metric tons CO2e of direct GHG emissions; (Scope 1) 、 Indirect GHG emissions 2,009.0980 metric tons of CO2e; (Scope 2) 、 Other indirect GHG emissions 658.8636 metric tons of CO2e; (Scope 3) Total: 2,743.1789 metric tons of CO2e Consolidated Financial Statements Subsidiaries: Direct GHG emissions of 558.132 metric tons of CO2e; (Scope 1) 、 Indirect GHG emissions 15,593.679 metric tons of CO2e; (Scope 2) 、 Other indirect GHG emissions 6,976.3296 metric tons of CO2e; (Scope 3) Total: 23,128.1406 metric tons of CO2e Intensity: 3.6801		
	1.1.2 Greenhouse Gas Assurance Information In terms of the total greenhouse gas emission volume, as disclosed in 1.1.1 for the consolidated companies, the parent company only owned scope of assurance implemented by the parent company only in 2024 and 2023 accounts for 100% and 100% respectively of its total emission volume in each of the said years; the scope of assurance implemented by the subsidiaries in the consolidated financial report in 2024 and 2023 accounts for 100% of their total emission volume in the said year. The Company’s assurance is implemented by AFNOR, an assurance body, in accordance with Assurance Standard No. 3410 of “Assurance Cases of Greenhouse Gas Statements” and ISO 14064-3: 2019, published by the International Organization for Standardization, and the assurance opinion is an unmodified conclusion with reasonable assurance. Assurance of the subsidiaries in the consolidated financial report is implemented by UL/DQS and CCIC, assurance bodies, in accordance with Assurance Standard No. 3410 of “Assurance Cases of Greenhouse Gas Statements” and ISO 14064-3: 2019, published by the International Organization for Standardization, and the assurance opinion is an unmodified conclusion with reasonable assurance. 1.2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans			
	<table><tr><td>Description of GHG reduction base year and its data, reduction targets, strategies and specific action plans and achievement of reduction targets.</td></tr><tr><td> Greenhouse Gas Reduction Base Year and Reduction Targets: Carbon reduction of 39.3% per million revenue in 2027 using 2018 as the base year (Scope 1 plus 2); 6% reduction in annual energy savings in 2027 using 2018 as the base year. Greenhouse Gas Reduction Strategies and Specific Action Plans : The Consolidated Company has integrated carbon management into its business strategy, including a carbon management platform and ESG performance-linked employee remuneration mechanism, etc. The carbon management platform systematically integrates the emission information of the whole group, so that it can grasp the information required for carbon management in real time, and can carry out comprehensive supervision for various greenhouse gas reduction plans, including measures such as improving energy efficiency, purchasing energy-saving equipment, installing solar power generation systems, reducing greenhouse gas raw materials at source, installing high-efficiency greenhouse gas destruction equipment, and evaluating the use of low-carbon fuels/energy and the development of carbon-negative technologies, etc.. To ensure that the reduction is in line with the progress, we are taking a proactive approach to reduce the impact of carbon emissions and enhance our competitive advantage. In order to enable the management, executive team, and all employees to work together to achieve the greenhouse gas reduction targets and enhance energy efficiency, important project objectives have been incorporated into the operational performance indicators, which are used as the basis for employee performance appraisal and bonus incentives. </td></tr></table>		Description of GHG reduction base year and its data, reduction targets, strategies and specific action plans and achievement of reduction targets.	Greenhouse Gas Reduction Base Year and Reduction Targets: Carbon reduction of 39.3% per million revenue in 2027 using 2018 as the base year (Scope 1 plus 2); 6% reduction in annual energy savings in 2027 using 2018 as the base year. Greenhouse Gas Reduction Strategies and Specific Action Plans : The Consolidated Company has integrated carbon management into its business strategy, including a carbon management platform and ESG performance-linked employee remuneration mechanism, etc. The carbon management platform systematically integrates the emission information of the whole group, so that it can grasp the information required for carbon management in real time, and can carry out comprehensive supervision for various greenhouse gas reduction plans, including measures such as improving energy efficiency, purchasing energy-saving equipment, installing solar power generation systems, reducing greenhouse gas raw materials at source, installing high-efficiency greenhouse gas destruction equipment, and evaluating the use of low-carbon fuels/energy and the development of carbon-negative technologies, etc.. To ensure that the reduction is in line with the progress, we are taking a proactive approach to reduce the impact of carbon emissions and enhance our competitive advantage. In order to enable the management, executive team, and all employees to work together to achieve the greenhouse gas reduction targets and enhance energy efficiency, important project objectives have been incorporated into the operational performance indicators, which are used as the basis for employee performance appraisal and bonus incentives.
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2.3.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies":

Evaluation Item	Implementation Status		Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy? (2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the	V V		None None

above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies? (3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		3. The Company has established in the principles of the programs against unethical conduct, as well as the operating procedures, code of conduct, and education training within the programs.	None
2. Fulfillment operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts? (2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations? (3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? (4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits? (5) Does the company regularly hold internal and external educational trainings on operational integrity?	V	V	1. The Company collaborates with its suppliers based on a shared philosophy of operating with integrity and upholding ethical standards. 2. I-SHENG ELECTRIC WIRE & CABLE CO., LTD. established the "Ethical Corporate Management Promotion Group" jointly by the administration and finance departments in December 2016, with the president serving as the convener to ensure the implementation of the Ethical Corporate Management Best Practice Principles based on the responsibilities and scope of each department. On January 30, 2026, the dedicated unit reported the progress of the plan to the Board of Directors. 3. The Company has established policies to prevent conflicts of interest and provide appropriate communication channels. 4. The Company has established effective accounting and internal control systems in place to implement ethical corporate management, and the internal audit unit is responsible for verifying their operation. 5. The Company educates employees to avoid dishonest behavior on a regular basis. On January 24, 2025, we rendered 0.5-hour education on employee complaint and insider trading, in which 123 employees participated; on August 7, 2025, we gave 0.5-hour education on precautions for insider shareholding declaration, in which totally 15 directors and department managers participated; on November 7, 2025, we made publicity on disclosure of business information and insider trading prevention for 0.5 hours, in which totally 9 directors and independent directors participated.	None None None None None
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V	V	1. The Company has established a reporting channel and a disciplinary and appeal system for violations of ethical corporate management regulations. The Company has set up a "Whistleblowing System for Illegal and Unethical (including corruption) Behaviors by Internal (external) Staff" and "Employee Feedback and Complaint Management Procedures," which are managed by the audit office and administration department, and there are reporting mailboxes and hotline available. 2. The Company's "Whistleblowing System for Illegal and Unethical (including corruption) Behaviors by Internal (external) Staff" and "Employee Feedback and Complaint Management Procedures" have established investigation procedures and keep records of the reported case, investigation process, investigation results. Regardless of whether it is during or after the investigation, all procedures will be handled in accordance with the	None None

(3) Does the company provide proper whistleblower protection?	V	confidentiality mechanism principle. for Illegal and Unethical (including corruption) Behaviors by Internal (external) Staff” and “Employee Feedback and Complaint Management Procedures” have established investigation procedures and keep records of the reported case, investigation process, investigation results. Regardless of whether it is during or after the investigation, all procedures will be handled in accordance with the confidentiality mechanism principle. in compliance with the procedures of the principle of confidentiality mechanism 3. All documents, evidence, and video files related to the reported incidents will be separately sealed to protect the whistleblower from improper treatment.	None
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V	The Company has disclosed the relevant and reliable execution of social responsibility in ethical corporate management on MOPS, the Company’s website, and in the annual report of the shareholders’ meeting.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: There have been no differences. The Company establishes “Ethical Corporate Management Best Practice Principles of the Company” in accordance with the Company Law and relevant regulations of the Securities and Futures Bureau, and has covered the key principles.			
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies): None.			

2.3.7 Other significant information that will provide a better understanding of the state of the Company’s implementation of corporate governance may also be disclosed:

① Directors’ and supervisors’ training records:

Title	Name	Date of Training	Sponsoring Organization	Course	Training hours
Chairman	T.C HUANG	2025/08/22	The Chinese National Association of Industry and Commerce	2025 TS Financial Holding Net Zero Summit	3H
		2025/05/16	Securities & Futures Institute	2025 Insider Trading Prevention Awareness Seminar	3H
Director	FANG, I-SIUNG	2025/11/10	Taiwan Corporate Governance Association	Key Analysis of Tax Burden for Corporate Merger and Acquisition	3H
		2025/05/08	Taiwan Corporate Governance Association	Recognition and Prevention of Unlawful Infringement in the Workplace	3H
Director	JHOU, YOU-YI	2025/11/10	Taiwan Corporate Governance Association	Key Analysis of Tax Burden for Corporate Merger and Acquisition	3H
		2025/05/08	Taiwan Corporate Governance Association	Recognition and Prevention of Unlawful Infringement in the Workplace	3H
Director	HUANG, CIN-MING	2025/08/22	The Chinese National Association of Industry and Commerce	2025 TS Financial Holding Net Zero Summit	3H
		2025/11/26	Taiwan Project Management Association	Succession Team Buildup and Talent Development	3H
Director	CAO, SIN-TAI	2025/12/03	Taiwan Corporate Governance Association	Global Trend Analysis – Risk and Opportunity	3H
		2025/09/26	Securities & Futures Institute	2025 Insider Trading Prevention Awareness Seminar	3H
Director	WANG, LIANG-KAI	2025/07/09	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit	6H
		2025/05/16	Securities & Futures Institute	2025 Insider Trading Prevention Awareness Seminar	3H
Independent Director	CHEN, CHUN-SHENG	2025/07/31	Securities & Futures Institute	2025 Taiwan’s Capital Market Summit	3H
		2025/05/16	Securities & Futures Institute	2025 Insider Trading Prevention Awareness Seminar	3H
Independent Director	CHEN, HSIU-LING	2025/07/09	Securities & Futures Institute	Cathay Sustainable Finance and Climate Change Summit	6H
Independent Director	HSIES, YI-CHEN	2025/07/24	The Institute of Internal Auditors-Chinese Taiwan	Seminar on Practices of Viewing Business Contracts in Respective of Operation Cycle	6H

② The Company’s managerial officer’s training records:

Title	Name	Date of raining	Sponsoring Organization	Course	Training hours
Company’s Managerial Officer	KAO, SHIH-JUNG	2025/07/25	Securities & Futures Institute	2025 Insider Trading Prevention Awareness Seminar	3H
		2025/08/29	Business Council for Sustainable Development Taiwan	Launch of the Report on CDP Questionnaire Mapping to IFRS S2	7H
		2025/10/16	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	6H
		2025/08/29	Financial Supervisory Commission	Net-Zero Transition Symposium – Tech Industry	2H

③ The implementation of risk management policies and risk evaluation measures:

Material Issue	Risk Evaluation Item	Risk Management Policy or Strategy
Economy	Market risk	1. Political and economic aspect: This includes the financial or business impact risk due to domestic and foreign political, economic, and regulatory requirements. 2. Technology and industry aspect: This includes the financial or business impact risk due to domestic and foreign technological and industrial changes. 3. Financial aspect: This includes the Company's financial assets or liabilities (including assets and liabilities inside and outside the statement of financial position) due to market risk factors (interest rates, exchange rates, stock prices).
	Operation risk	1. Operational aspect: This includes risks that affect the Company due to changes in business models, organizational restructuring, over-concentration of sales/purchasing, product obsolescence, product and service design and quality management, and significant risk management of commercial contracts, etc. 2. Financial aspect: This includes risks that affect the Company due to asset evaluation, credit and solvency, liquidity risk, and accounting policies, etc. 3. Internal control aspect: This includes risks related to the Company's internal control. 4. Intellectual property aspect: This includes patent application and maintenance, and protection of intellectual property rights. 5. Supply chain aspect: This includes risks that affect the Company related to the quality, price, delivery time, and corporate social responsibility of suppliers. 6. Information security aspect: This includes risks that affect the Company such as digital information security, general data protection regulations, etc. 7. Public relations aspect: This includes risks related to public relations, such as brand management, corporate image shaping and maintenance, etc., which will affect the Company.
	Investment risk	Investment aspect: This includes risks that affect the Company, such as the risk of fluctuation of short-term investment market prices due to over-concentration of investment targets, high-risk and high-leverage operations, derivative financial instruments trading, financial management, or the risk of long-term investment in the operation and management of investee companies.
Environment	Environmental impact and management	1. In 2002, the Company obtained ISO14001 environmental management system certification, and through the implementation of ISO14001, the Company has established a complete system for implementation and monitoring. 2. a. The Company has appointed qualified manufacturers to handle waste recycling operations. b. The Company has set up resource recycling bins for resource sorting and has appointed external instructors to promote resource recycling among internal employees. c. The Company's management department is responsible for environmental management, and a designated person is assigned to clean each building daily to maintain a clean environment. d. The Company controls the temperature of air conditioners in summer to use energy effectively to achieve the goal of energy-saving and carbon reduction. e. We cooperate with downstream customers to provide green and environmentally friendly products. 3. The primary objective of the Company is to promote the development of a circular economy, with a strong emphasis on issues related to climate change. In our daily office operations, we encourage the reuse of resources, such as the use of electronic invoices and the adoption of a government electronic document exchange mechanism. These measures have made document processing more convenient while saving time, reducing paperwork, and lowering postage costs. To reduce paper consumption and other resource usage, we encourage double-sided using of the paper and providing a resource recycling rack next to the photocopier for paper recycling and reuse. Additionally, we have implemented various energy-saving measures, such as setting the air-conditioning temperature to 28 degrees Celsius during summer, using energy-efficient LED lighting, and enforcing a mechanism to turn off lights during lunch break and after work to reduce electricity and energy consumption, and mitigate the effects of global warming. 4. The Company recognize the impact of climate change on our operations, and in 2010, we began implementing the ISO14064 GHG inventory project to calculate the GHG emissions generated within our primary business scopes. This project serves as the foundation for developing subsequent reduction strategies.
Social	Occupational safety	1. In accordance with the Labor Standards Law and other relevant labor laws and regulations, the Company has established personnel management rules and work rules for our employees, and administered employee labor insurance, national health insurance and pension matters in accordance with the relevant laws and regulations. Furthermore, in compliance with the Sexual Harassment Prevention Act and the Act of Gender Equality in Employment, the Company has established the "Rules for Prevention, Complaint and Punishment of Sexual Harassment" to provide employees with a work and service environment free from sexual harassment. 2. The Company implements necessary measures for employees to perform their job safely and healthily, in compliance with relevant occupational safety and health laws and regulations. These measures include safety and health education, disaster prevention training, and health management. We set up emergency escape routes and exits and regularly organize elevator equipment maintenance. We prepare fire safety facilities and organize regular fire drills, disinfection of the work environment, water quality monitoring, and access controls. Other protective measures for employee safety are in accordance with labor-related laws and regulations and the Company's internal welfare measures. The Company also provides regular health checkups for employees and cares about their actual health issues.
	Product safety	1. The Company and all subsidiaries resolve problems by formulating standard procedures for customer complaints and properly determining responsibility. We also investigate customer satisfaction, track problems, and develop improvement methods to prevent similar problems from occurring. 2. The Company and all subsidiaries require contractors to comply with environmental, safety, and health management procedures by setting up a contract. If there are any violations, penalties will be imposed, and the contractors will be required to explain and review their measures at the annual meeting of the consultative organization.
Corporation Governance	Socio-economic issues and legal compliance	1. By establishing a governance organization and implementing internal control mechanisms, the Company ensures that all personnel and operations comply with relevant laws and regulations. 2. Compliance-related aspect: This includes non-compliance with relevant laws and regulations, such as labor laws, company laws and regulations related to securities trading, import and export regulations, industry codes of conduct, anti-corruption and anti-monopoly regulations, among others, that may arise. 3. Legal aspect: This includes the risk of failure to comply with various laws and regulations or potential infringement of the Company's rights and interests.
	Enhancement of the functions of directors	1. We plan education and trainings on relevant topics for directors and provide directors with the updated information on the latest regulations, system development and policies every year. 2. We have taken directors' liability insurance for directors to protect them against lawsuits or claims.
	Stakeholder engagement	1. In order to prevent stakeholders from having different perspectives with the Company, which may cause misunderstandings and lead to operational risks or litigation, the Company analyzes on a yearly basis the material topics which our stakeholders care about most. 2. The Company has established a variety of communication channels and been communicating actively to reduce confrontation and misunderstanding. We have set up the dedicated mailboxes and e-mail address for investors, in which the spokesperson is responsible for responding the received messages and opinions.

④ The effort of directors in preventing a conflict of interest: Please refer to page 10 and 11.

⑤ Purchasing insurance for directors and supervisors:

Insured	Insurance Company	Insurance Amount (US\$: dollar)	Coverage Period (From start till end)	Remarks
Overall directors and supervisors	Chung Kuo Insurance Co., Ltd.	3,000,000	Start: June 1, 2025/End: June 1, 2026	-

2.3.8 Status of Implementation of the Company's Internal Control System

① Statement on Internal Control for the Company's self-assessment of its internal control systems: Please refer to page 52.

② Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

2.3.9 Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: Please refer to page 53 and 54.

2.3.10 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, disclose the principal content thereof: None.

2.4 Information Regarding the Company's Audit Fee

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Remarks
Ernst & Young	Muriel Yu	2025/01/01 ~ 2025/12/31	4,252	408	Non-audit fee: tax compliance audit
	Jamie Lu	2025/01/01 ~ 2025/12/31			

(1) The securities firm changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change: None.

(2) The audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more: None.

2.5 Replacement of CPA: None.

2.6 The Employment of the Company's Chairman, President, Financial or Accounting Manager with the Firm of the Auditing CPA or Its Affiliated Businesses in the Past Year: None.

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

(1) Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Unit: Shares

Title	Name	2025		By June 24, 2026	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	T.C HUANG	—	—	—	—
Director & President	FANG, I-HSIUNG	—	—	—	—
Director	HUANG, CIN-MING	—	—	—	—
Director	JHOU, YOU-YI	—	—	—	—
Director (Resigned)	WANG, JIN-SYONG	—	—	—	—
Director	WANG, LIANG-KAI	—	—	—	—
Director (New appointment)	CAO, SIN-TAI	—	—	—	—
Independent Director (Resigned)	TU, MU-LIN	—	—	—	—
Independent Director (New appointment)	CHEN, CHUN-SHENG	—	—	—	—
Independent Director (New appointment)	CHEN, HSIU-LING	—	—	—	—
Independent Director (New appointment)	HSIES, YI-CHEN	—	—	—	—
Supervisor (Resigned)	YAN, JYUE-SHENG	—	—	—	—
Supervisor (Resigned)	WU, YU-CI	—	—	—	—
Supervisor (Resigned)	CHEN, JHIH-PING	—	—	—	—
Vice President	LAI, JEN-HSIU	—	—	—	—

(2) Where the counterparty of a transfer of shareholding is a related party: None.

(3) Where the counterparty of a pledge of shareholding is a related party: None.

2.8 Relationship Information, If any of the 10 Largest Shareholders is a Related Party, or Spouse, or Relative Within the Second Degree of Kinship:

Relationship among the Top Ten Shareholders

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2 nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Bai Chun Investment Co., Ltd. Representative: FANG, I-HSIUNG	14,526,281	7.74	-	-	-	-	FANG, I-HSIUNG	Same as the responsible person	
	10,916,224	5.82	2,120,972	1.13	-	-			
Fong He Investment Co., Ltd. Representative: FANG, JIAN-JHIH	14,235,363	7.59	-	-	-	-	FANG, I-HSIUNG	Director of the Company	
	3,787,259	2.02	-	-	-	-			
Fong Sun Investment Co., Ltd. Representative: T.C HUANG	14,074,163	7.50	-	-	-	-	T.C HUANG	Same as the responsible person	
	10,782,682	5.75	1,790,939	0.95	-	-			
FANG, I-HSIUNG	10,916,224	5.82	2,120,972	1.13	-	-	Bai Chun Investment	Same as the responsible person	
T.C HUANG	10,782,682	5.75	1,790,939	0.95	-	-	Fong Sun Investment	Same as the responsible person	
Ming Fu Investment Co., Ltd. Representative: DING, YU-SIAN	7,978,086	4.25	-	-	-	-	T.C HUANG	Director of the Company	
	1,790,939	0.95	-	-	-	-			
LIOU, JYUN-JIE	6,276,302	3.34	-	-	-	-	-	-	
PASCAL PRODUCTS COMPANY LTD. Representative: YAN, JING-SYUAN	5,235,545	2.79	-	-	-	-	-	-	
	766,429	0.41	-	-	-	-			
FANG, JIAN-JHIH	3,787,259	2.02	-	-	-	-	FANG, I-HSIUNG	Relative within the second degree of kinship	
							Fong He Investment	Same as the responsible person	
Morgan Stanley & Co. International PLC in custody of HSBC	3,219,163	1.72	-	-	-	-	-	-	

2.9 The Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company:

Total Ownership of Shares in Investee Enterprises

Unit: shares / %

Investee Enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total Investment	
	Shares	%	Shares	%	Shares	%
DRAGONJET CORPORATION	6,757,028	9.11	164,394	0.22	6,921,422	9.34

III. Capital Overview

3.1 Capital and Shares

3.1.1 Sources of Capital

(1) Sources and type of stocks:

Unit: NT\$ thousands; thousand shares

Month/ Year	Per Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks							
		Shares	Amount	Shares	Amount	Sources of Capital						Capital Increased by Assets Other than Cash	Other
						Cash	Surplus	Additional Paid-in Capital	Consolidated Capital Increase	Convertible Bonds	Total		
2008/01	10	200,000	2,000,000	126,219	1,262,187	—	—	—	—	11,928	11,928	—	Note 1
2008/09	10	200,000	2,000,000	140,702	1,407,028	—	144,841	—	—	—	144,841	—	Note 2
2008/10	10	200,000	2,000,000	140,918	1,409,181	—	—	—	—	2,153	2,153	—	Note 3
2009/07	10	200,000	2,000,000	141,108	1,411,078	—	—	—	—	1,897	1,897	—	Note 4
2009/09	10	200,000	2,000,000	148,691	1,486,916	—	75,838	—	—	—	75,838	—	Note 5
2009/10	10	200,000	2,000,000	158,647	1,586,467	—	—	—	—	99,551	99,551	—	Note 6
2010/01	10	200,000	2,000,000	159,249	1,592,492	—	—	—	—	6,025	6,025	—	Note 7
2010/04	10	200,000	2,000,000	159,259	1,592,587	—	—	—	—	95	95	—	Note 8
2010/07	10	200,000	2,000,000	159,268	1,592,682	—	—	—	—	95	95	—	Note 9
2010/10	10	200,000	2,000,000	159,278	1,592,776	—	—	—	—	95	95	—	Note 10
2011/01	10	200,000	2,000,000	159,350	1,593,495	—	—	—	—	719	719	—	Note 11
2011/07	10	200,000	2,000,000	159,401	1,594,009	—	—	—	—	514	514	—	Note 12
2011/10	10	200,000	2,000,000	163,948	1,639,477	—	—	—	—	45,468	45,468	—	Note 13
2012/01	10	200,000	2,000,000	164,038	1,640,376	—	—	—	—	899	899	—	Note 14
2013/04	10	200,000	2,000,000	167,089	1,670,890	—	—	—	—	30,514	30,514	—	Note 15
2013/07	10	200,000	2,000,000	168,167	1,681,667	—	—	—	—	10,777	10,777	—	Note 16
2013/10	10	200,000	2,000,000	170,134	1,701,336	—	—	—	—	19,669	19,669	—	Note 17
2014/01	10	200,000	2,000,000	171,636	1,716,364	—	—	—	—	15,028	15,028	—	Note 18
2014/04	10	200,000	2,000,000	173,074	1,730,738	—	—	—	—	14,374	14,374	—	Note 19
2014/07	10	200,000	2,000,000	174,954	1,749,542	—	—	—	—	18,804	18,804	—	Note 20
2014/10	10	200,000	2,000,000	176,636	1,766,359	—	—	—	—	16,817	16,817	—	Note 21
2015/02	10	200,000	2,000,000	177,729	1,777,291	—	—	—	—	10,932	10,932	—	Note 22
2015/04	10	200,000	2,000,000	178,389	1,783,885	—	—	—	—	6,594	6,594	—	Note 23
2015/07	10	200,000	2,000,000	178,843	1,788,428	—	—	—	—	4,540	4,540	—	Note 24
2015/10	10	200,000	2,000,000	178,888	1,788,876	—	—	—	—	448	448	—	Note 25
2016/04	10	200,000	2,000,000	178,916	1,789,164	—	—	—	—	288	288	—	Note 26
2016/07	10	200,000	2,000,000	179,345	1,793,452	—	—	—	—	429	4,288	—	Note 27
2016/10	10	200,000	2,000,000	179,729	1,797,286	—	—	—	—	384	3,834	—	Note 28
2017/02	10	200,000	2,000,000	180,243	1,802,426	—	—	—	—	514	5,140	—	Note 29
2017/04	10	200,000	2,000,000	187,624	1,876,237	—	—	—	—	7,381	73,811	—	Note 30
2017/07	10	200,000	2,000,000	187,662	1,876,622	—	—	—	—	38	385	—	Note 31

Note 1: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09701012360 received on January 18, 2008.

Note 3: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09701265560 received on October 23, 2008.

Note 5: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09801215350 received on September 22, 2009.

Note 7: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09901012460 received on January 19, 2010.

Note 9: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09901161660 received on July 19, 2010.

Note 11: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10001011300 received on January 24, 2011.

Note 13: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10001238610 received on October 18, 2011.

Note 15: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10201067960 received on April 15, 2013.

Note 17: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10201210680 received on October 14, 2013.

Note 19: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10301067500 received on April 15, 2014.

Note 21: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10301217530 received on October 21, 2014.

Note 23: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10401069310 received on April 27, 2015.

Note 25: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10401217880 received on October 19, 2015.

Note 27: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10501176320 received on July 22, 2016.

Note 29: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10601007170 received on January 17, 2017.

Note 31: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10601101300 received on July 24, 2017.

Note 2: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09701224190 received on September 2, 2008.

Note 4: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09801158870 received on July 17, 2009.

Note 6: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09801236890 received on October 15, 2009.

Note 8: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09901078090 received on April 20, 2010.

Note 10: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-09901235570 received on October 20, 2010.

Note 12: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10001159490 received on July 20, 2011.

Note 14: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10101009610 received on January 16, 2012.

Note 16: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10201141350 received on July 24, 2013.

Note 18: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10301016680 received on January 27, 2014.

Note 20: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10301144990 received on July 28, 2014.

Note 22: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10401008370 received on February 10, 2015.

Note 24: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10401147080 received on July 20, 2015.

Note 26: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10501075960 received on April 20, 2016.

Note 28: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10501245720 received on October 18, 2016.

Note 30: The approval letter, the Letter No. Ministry-of-Economic-Affairs-Commerce-Department-10601048920 received on April 24, 2017.

Type of Stock	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Common Shares	187,662,154	12,337,846	200,000,000	

(2) Information of shelf registration: None.

3.1.2 List of Major Shareholders

Name, total shareholding, and ratio of the Shareholder with 5% of more of the Company's total number of issued shares or ranks among the Company's top ten shareholders:

June 24, 2026

Name of major shareholders	Shareholding	Shares	%
Bai Chun Investment Representative: FANG, I-HSIUNG		14,526,281	7.74
Fong He Investment Representative: FANG, JIAN-JHIH		14,220,363	7.58
Fong Sun Investment Co., Ltd. Representative: T.C HUANG		14,074,163	7.50
FANG, I-HSIUNG		10,916,224	5.82
T.C HUANG		10,782,682	5.75
Ming Fu Investment Co., Ltd. Representative: DING, YU-SIAN		7,978,086	4.25
LIU, JYUN-JIE		6,276,302	3.34
PASCAL PRODUCTS COMPANY LTD. Representative: YAN, JING-SYUAN		5,235,545	2.79
FANG, JIAN-JHIH		3,787,259	2.02
Morgan Stanley & Co. International PLC in custody of HSBC		3,219,163	1.72

3.1.3 Dividend Policy and Implementation Status

A. Company's dividend policy: The Company's dividend policy is in accordance with the Articles of Incorporation: The Company, where there is a net profit after tax, shall first cover the annual losses (including adjustment of the undistributed surplus amount), and then 10% of said profits shall be set aside as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The special surplus reserve is proposed or reserved in accordance with the relevant laws and regulations. If there is a surplus, it shall be added to the undistributed surplus at the beginning of the period (including adjustment of the undistributed surplus amount) to become the accumulated distributable surplus for shareholders. The Board of Directors will then propose a surplus distribution plan, which shall not be less than 5% of the distributable surplus, and submit it for approval at the shareholders' meeting. Additionally, as the industry environment that the Company operates in is constantly changing, in order to consider the Company's long term financial planning and meet the shareholders' needs for cash inflows, the annual cash dividend shall not be less than 20% of the total sum of cash and stock dividends.

B. Dividend distributions proposed at the most recent shareholders' meeting: The Company's dividend distribution plan for 2026 (surplus distribution for 2025) was approved by the Board of Directors on March 12, 2026. A total of NT\$525,454,031 will be allocated from the undistributed surplus of 2025 to pay cash dividends, which equates to NT\$2.8 per share.

3.1.4 Effect Upon Business Performance and Earnings Per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting: Not applicable.

3.1.5 Compensation of Employees, Directors, and Supervisors

1. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the Articles of Incorporation:

If the Company has gained profits within a fiscal year, not to be less than 2% shall be reserved as the employees' compensation and no higher than 5% as the directors' and supervisors' compensation. However, in case of the accumulated losses (including adjustment to the amount of undistributed earnings), certain profits shall be reserved to cover them. The compensation to employees can be made in the form of stock or cash. Parties eligible to receive the said compensation shall include employees in the controlling or affiliated companies who met certain conditions. The Board of Directors are authorized to set those conditions and the distribution plan.

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:
 - (1) The basis for estimating the amount of profit-sharing compensation for employee, director, and supervisor is based on the percentage range, as set forth in the Company's Articles of Incorporation.
 - (2) Calculation basis for number of shares distributed: No allocation of stock dividends was made by the Company in 2025.
 - (3) There is no difference between estimated and actual distribution amount approved by the Board of Directors
3. Information on any approval by the board of directors of distribution of profit-sharing compensation:
 - (1) Compensation to employees: NT\$33,000,000 (in cash), compensation to directors: NT\$12,000,000. The amount of compensation to employees and directors is the same as the amount recognized in the 2024 financial statements.
 - (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 for the current period and total employee profit-sharing compensation: No allocation of employee stocks was made at the most recent Board of Directors, therefore 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:

The compensation for employees, directors, and supervisors recognized in the 2024 financial statements were NT\$41,000,000 and NT\$15,000,000, respectively, which was consistent with the 2023 compensation to employees, directors, and supervisors resolved in the shareholders' meeting.

3.1.6 Repurchase of the Company's Own Shares: None.

3.2 Issuance of Corporate Bonds: None.

3.3 Preferred Shares: None.

3.4 Issuance of Overseas Depositary Shares: None.

3.5 Status of Employee Stock Option Plan: None.

3.6 Status of Employee Restricted Stock: None.

3.7 Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

3.8 Funding Plans and Implementation: None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scopes

1. Major lines of business

- A. Manufacturing, machining, and trading of electric wires, electric cables, machinery, machine tools, plastic plugs, power cord sets.
- B. Trading of plastic raw materials.
- C. Engaging in import and export trade of products for domestic and foreign manufacturers as an agent.

F213080 Retail Sale of Other Machinery and Equipment

CC01020 Electric Wires and Cables Manufacturing

CC01990 Other Electrical Engineering and Electronic Machinery Equipment

Manufacturing (Connectors)

2. Relative weight of each

Unit: NT\$ thousands

Product Items	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
Power cord connector	6,107,668	96.50	7,068,111	95.98	7,202,109	95.39
Processable plastic material	221,373	3.50	295,679	4.02	348,107	4.61
Total	6,329,041	100.00	7,363,790	100.00	7,550,216	100.00

3. The Company's current products and services

The Company is a professional manufacturer in Taiwan specializing in producing a wide range of products, including power cord connectors, power transmission cables, signal transmission cables, network cables, and fiber optic cables. Our products are mainly supplied to domestic and international industries such as computer manufacturing, home appliance manufacturing, electronic equipment, electric vehicles, and solar energy. Our current product portfolio is as follows:

- (1) Power cord connectors for PCs peripherals and monitors (CRT 、LCD Monitor).
- (2) Power cord connectors for AI server and laptops.
- (3) Power cord connectors for various household appliances, digital and traditional consumer electronics products.
- (4) Power transmission cables of various specifications.
- (5) AC power cord connectors designed for digital cameras and camcorders.
- (6) UTP and STP LAN cables (LAN Cable).
- (7) Various types of extension cords (Power Strip).
- (8) Signal cables, fiber optic cables, and rubber cables.
- (9) Cables for solar energy.
- (10) Wire sets designed for electric vehicle charging.

4. New products (services) planned for development

- (1) Develop high-end AI server-related power connectors and power cable assemblies

According to the latest outlook from the research institutions of TrendForce and Market Intelligence & Consulting Institute (MIC) of the Institute for Information Industry, global AI server shipments are estimated to grow by over 28% year-on-year in 2026, and the overall server market shipments are expected to reach 15 million units, among which AI servers account for approximately 30%, i.e. 4.5 million units. Furthermore, with hyperscale cloud providers continuing to invest in AI functional development, demands for AI servers will remain strong. Looking ahead, the competitive landscape of the global high-end AI server market will become more diversified. While major manufacturers will still occupy a majority share of supply and demand, the increasing demands from enterprise users for AI deployment and the growth of AI chip technology will lead to a more diversified overall market shipment volume in the future.

- (2) Develop electric vehicle charging connector wires and apply for certification

The world is currently making great efforts to develop pure electric vehicles. With the strong promotion of various countries' policies, it is believed that pure electric vehicles will be widely popularized in the near future. With range being the core indicator of electric vehicles, however, it is not only the range that is of concern, charging is also a very important issue. The followings are the common charging methods: 1. Portable charging refers to using the portable charging cable that comes with the car to connect to an ordinary household outlet for charging. This is a highly convenient way of charging, as long as a socket can be found, the car can be charged. However, in practical use, the charging power is generally only 1.5kW. Therefore, the portable charging device can only serve as a supplement to other charging methods and is convenient for users to recharge their car batteries anytime. 2. Residential charging station: Residential charging stations are by far the most common type of charging stations. Typically, private users receive a home charger as part of their electric vehicle purchase. The charging speed varies depending on the specifications provided by each manufacturer, but it can generally meet the need of most users. 3. Public charging station: Public charging stations are usually built, maintained, and operated by power

companies. As the electric vehicle industry matures, we may expect many private investors to enter the field.

(3) Develop CAT.6a and CAT.7 wires and apply for certification

10G over UTP is standardized by the IEEE 802.3an protocol. UTP is an unshielded twisted pair cable, and 10G represents its data transfer speed over Ethernet. Currently, there is the standard of 10GBase-Fiber (802.3ae), and for the cables which pass the standards that are suitable for 10G transmission are Cat.6e, which supports lines up to 55 meters, while Cat.6a increases the twisted-pair wire twist rate, increases the cable diameter, and separates the twisted pairs by using a screening material inside the cable to avoid interference of high-frequency signals, achieving a high frequency performance of 625MHz and 10Gbps transmission speed over distances of more than 100 meters. 1. The main differences between CAT.6a and CAT.6 include: CAT.6a extends beyond 500MHz, while CAT.6 may only support up to 350MHz since its design is not intended for high-frequency testing. 2. The current mainstream solution is to use CAT.6a to achieve 10Gbps transmission efficiency over a distance of 100 meters.

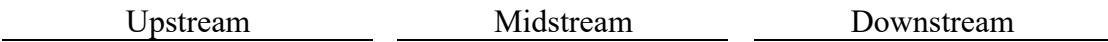
4.1.2 Industry Overview

1. Industry Status and Development

According to the Industrial Technology Research Institute, Taiwan's electronic components industry is expected to continue the growth momentum of 2024 in 2025. AI will continue to expand from servers to edge terminal products such as PCs, tablets, mobile phones, etc. Therefore, the total output value of Taiwan's electronic components industry is estimated to reach NT\$2.4 trillion in 2025, with a growth rate of about 7.5%, which is better than 5.4% in 2024. Currently, the five major global end markets for electronic components are mobile phones, virtual (augmented) reality, drones, wearable devices, and automobiles. These five major applications share important common components such as monitors, sensors, connectors, lens modules, and circuit boards.

The power transmission cable and the power transmission cable set with a plug are components used at the end of power supply assembly of various electronic products to connect to the power socket. They are a type of electronic connector and can be collectively referred to as a power connector, which its main function is to transmit power. As the quality of power connectors can affect the reliability and safety of power transmission between electronic devices, they are an important component in electronic product applications. In recent years, Taiwan's information and communication industry has achieved remarkable success on the international stage. The output value of various electronic products and LAN equipment has been continuously increasing, and the global market share of many information products ranks among the top. This has led to substantial growth in the domestic parts market year after year. In response to the arrival of the 5G era, the application market of the information industry will shift towards the rapid development of related fields such as smart manufacturing, smart cities, vehicle networking, smart medical, and VR/AR. As a result, global manufacturers, including those of smart phones and network equipment, have made 5G technology and product development a priority.

2. Links between the upstream, midstream, and downstream segments of the industry supply chain



3. Product development trends

- (1) The Integration of AI with Automotive, Communications, and Consumer Electronics
AI brings profound impacts and business opportunities to the electronic components industry, especially in terms of specification improvements, which are key drivers of industry growth. The powerful rise of artificial intelligence has led to revolutionary changes in the industry. Electronic product systems have adapted to the increased computational power by changing design thinking and incorporating new elements. As AI continuously breaks the boundaries of computational capacity and rapidly penetrates from the cloud to edge and endpoint products, it brings significant impacts and opportunities to the electronic components industry. The enhancement of product specifications is a critical factor driving industry value growth. In addition to the innovations in end systems and their impacts on electronic components, changes in terminal applications also drive the development of value and technology. PCB (Printed Circuit Board) demand is highly optimistic for 2024 due to the promotion of AI, automotive electronics, and satellite communications, with product demand continuing to grow significantly. Passive components are also focused on product specification upgrades driven by AI technology and the automotive market. Emerging technologies like Micro LED are expected to first establish a foothold in AR smart glasses and later find market opportunities in high-end products like TVs, smartwatches, automotive applications, and transparent displays. Along with technological optimization, costs will decrease, entering a phase of rapid growth. The combination of Tiny Machine Learning (Tiny ML) algorithms and sensor components will further drive the emergence of AI sensors capable of running AI algorithms.
- (2) Management capabilities are the key to success
As power transmission cables and cable assemblies are essentially mature industries, controlling costs and improving production efficiency has become a more important issue due to the compression of gross margins as the industry focuses on performance development and price cutting to compete for orders and maintain economics of scale. Especially after the establishment of production sites through global expansion, risks emerge with resource allocation and factory management. In the future, in addition to developing new niche product markets, excellent management capabilities will be the key to success for industry players.

4. Product competitions

With the rise of the computer industry and the diligent efforts of domestic manufacturers, the development of the power cord connector industry has been quite rapid. Currently, there are numerous domestic and foreign power cord connector manufacturers, making the competition in the domestic market increasingly intense, and price cutting is inevitable. Therefore, to reduce production costs, the industry has gradually shifted towards global expansion. For now, Southeast Asia is the region most favored by domestic manufacturers due to its lower labor and land costs, which strengthens their competitiveness in terms of pricing, and this trend is continuing to gain momentum. In addition, domestic manufacturers are also actively pursuing the path towards going public (or over-the-counter), in order to increase their fundraising channels and expand their capital scale. The competition in the electronics industry has no geographical boundaries, so they need to continuously invest in R&D and develop marketing channels in order to stand out in the highly competitive environment. The Company has established multiple production bases in the United States, China, and Vietnam. Through our overseas marketing channels, we hope to gain a thorough understanding of market dynamics and provide optimal sales and technical support to effectively meet our customers' needs. In response to the price competition in the industry, the Company has obtained certifications from multiple countries and expanded our product line to include power cords and hook-up wire related products, such as Internet of Things (IoT), electric vehicle, and solar power charging cable sets. By doing so, we aim to tap into niche markets for future growth.

4.1.3 Technologies and its research and development work

The Company is a professional manufacturer of power connection cables (devices), mainly for the use of 3C product power supply modules. The research and development target is to develop specialized cables for 5G cell sites, electric vehicle charging, solar power, and to establish automated production equipment to enhance competitiveness. The Company intends to invest around NT\$100,000 thousands in R&D in 2026, which accounts for approximately 1.30% of the consolidated operating revenue for that year.

1. Research and development expenditures during the most recent fiscal year up to the date of publication of the annual report

Unit: NT\$ thousands			
Year	R&D expenditures	Net operating income	Ratio of net operating income
2025	72,897	7,550,216	0.97%
As of March 31, of the current fiscal year	22,269	1,862,840	1.20%

2. Technologies or products successfully developed during the most recent fiscal year up to the date of publication of the annual report
 - (1) IS-HL34 IEC 60320 connector
 - (2) PTS-904E2 power extension cable
 - (3) PTS-904F2 power extension cable
 - (4) SW-222 Taiwan standard extension cable
 - (5) SW-242 Taiwan standard extension cable
 - (6) MTW UL1363 cable
 - (7) SPAZ-308 US standard plug
- 4.1.4 Short-term and long-term business development plans
 1. Short-term business development direction
 - (1) Product development and enhancement of product quality and technology: The Company has always been dedicated to product development, quality and technology enhancement, and has spared no effort in these areas. In addition to training and recruiting R&D personnel, we have also strengthened the improvement of production processes. Currently, our focus is on the development of power connectors and power transmission cables with the aim of improving product quality and reducing energy consumption by enhancing manufacturing technology.
 - (2) Computerization of production control: Given the rapid changes in the market and the increasing demand from customers for shorter lead times and quicker delivery, it has become an inevitable trend to adopt a small-batch, multi-product manufacturing approach. To cope with the huge volume of document and to ensure effective control over production processes, it is imperative to achieve computerized production control. The goal of this effort is to provide real-time online information and control delivery time, thereby improving production efficiency.
 - (3) Expansion of production base: Due to the trade issues between the U.S. and China, the annual increase of production costs in mainland China, and the relocation of major monitor manufacturers to Southeast Asia, some products are no longer economically feasible to be produced in mainland China. The Company also plans to expand its production line in Vietnam and move some products to be produced there to control costs and reduce the impact of U.S.-China trade on one hand, while expanding production scale on the other.
 - (4) Marketing strategy: Due to the migration of IT giants to Southeast Asia and India for production, the sales performance of power connectors and power transmission cables have been affected. Currently, the Company is commissioning part of our products to be manufactured at our production base in Vietnam. In order to ensure the normal operation of our parent company, we are fully utilizing the international division of labor in production and sales, while adopting an outsourcing model of triangular trade to achieve the necessary profit. In addition, we are expanding our international marketing network based on our existing major customer base, with the aim of consolidating our existing markets on one hand and continuously developing international markets on the other.
 2. Long-term business development direction
 - (1) Accelerate the expansion of production equipment automation: Recognizing that the automated production equipment can improve production capacity, quality, gradually reduce the reliance on grassroots-level labor, smoothen the production lines, and reduce production costs, which it can greatly benefit the competitiveness of the Company.
 - (2) Construct an intelligent factory: The development trend of modern factories is centered around the automation of production methods. The traditional Manufacturing Execution System (MES) is limited to data collection and report analysis and is gradually unable to meet the needs of the fast-changing era. With the advent of Industry 4.0 era and further integration of automation, MES will become the core system of the entire factory automation control. It will not only have the existing scope of MES, but also include functions such as CIM, EAP, machine connectivity, and integrated robot arms, in order to achieve the goal of an intelligent factory. Real-time access to a large amount of data analysis will improve product quality, efficiency, and customer satisfaction while reducing production costs, resulting in the maximization of corporate interests.
 - (3) Increase overseas sales presence: In order to expand market share and diversify market risks, the Company will not only continue to expand its domestic business, but also actively develop its international marketing network and increase its overseas sales presence.
 - (4) Finance: We uphold a sound financial strategy to provide ample financial support and flexible fund procurement to meet the Company's long-term business development need, maximizing the effectiveness of financial operations.

4.2 Market and Sales Overview

4.2.1 Market Analysis

A. Geographic areas where the main products (services) of the Company are provided (supplied)

Unit: NT\$ thousands

Sales region	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
Taiwan	421,103	6.65	1,680,546	22.82	1,547,072	20.49
China	4,056,496	64.09	3,541,142	48.09	3,459,523	45.82
Japan	311,895	4.93	348,153	4.73	306,317	4.06
Western	421,103	6.65	390,397	5.30	300,685	3.98
Vietnam	399,110	6.31	457,768	6.22	893,191	11.83
Other	719,334	11.37	945,784	12.84	1,043,428	13.82
Total	6,329,041	100.00	7,363,790	100.00	7,550,216	100.00

B. Market share

The Company's main item of business, which accounts for more than 90% of revenue in the most recent year, is power cable and connectors. According to Bishop & Associates' forecast, the global connector output value in 2025 is NT\$2.938163 trillion and in the same year, the Company's sales income is NT\$7,550 (million), representing approximately 0.275% of the global cable (connector) output value.

C. Market future supply and demand conditions and growth prospects

The Company's main supply of power cord connection wires (devices) is to international information peripheral manufacturers, including those producing monitors, power supplies, and laptops etc. Its network cables are mostly used for LAN connections. As the Company's main products are closely related to the future outlook and development trends of the information and communication industry, the future supply and demand of the market are outlined based on the overview of downstream application product markets:

(1) AI Revolution Sparks Surging Demand for AI Servers

AI is leading the way in the global technology field, with Generative Artificial Intelligence (Generative AI or GenAI or GAI GAI) emerging as a frontrunner. GAI systems can generate multimedia content, including images, text, videos, and audio, based on provided prompts. The launch of ChatGPT has further spotlighted this technology, ushering in a new era of large-scale commercialization in the global AI industry. As technology giants solidify their market positions, numerous AI websites and chatbots have emerged, resulting in widespread adoption of AI tools. Despite facing unresolved challenges, the economic potential of AI has garnered considerable attention. Bloomberg Intelligence estimates the AI market value to have reached \$40 billion as of 2022, forecasting a growth to \$1.3 trillion by 2032. GAI demonstrates significant influence across various sectors, including vertical applications, software platforms, servers, and chips. Particularly, the demand for AI servers is rapidly increasing. Historically, servers have been regarded as stable investments for enterprise equipment, offering predictability compared to consumer products. However, recent economic downturns have led companies to exercise caution in capital expenditures, affecting server demand. According to forecasts by Industrial Technology Research Institute (ITRI), global server shipments are expected to decline by 13.1% to 12.38 million units in 2023. However, with improved inventory de-stocking and gradual economic recovery, shipments are projected to rebound in 2024, reaching 13.2 million units, a 6.6% increase. Driven by the strong demand for AI technology, cloud service providers are intensifying their focus on expanding their AI server businesses. TrendForce predicts the AI server market is projected to experience rapid expansion at a compound annual growth rate of 22% in the future. Global AI server shipments are estimated to reach 1.2 million units in 2023, marking a 40.7% increase from the previous year. This trend is expected to continue in 2024, with shipments reaching 1.6 million units, representing a 33.0% growth rate. Although AI servers account for less than 10% of the overall server market share, their average selling price (ASP) is nearly ten times higher than that of a typical server. This underscores the significant impact of AI servers on the growth of server output.

(2) Global development trends of smart home devices

According to the survey, global demand for smart home devices has been continuously rising since 2017. At present, the growth rate of network-connectable smart home devices in the market is as high as 100%-300%. It is estimated that the overall market size of smart home devices will reach 1.5 trillion dollars in the future. In the next four years, smart white goods will account for nearly 50% of the market, while the market share of smart living appliances and smart kitchen appliances will reach 28% and 25%, respectively. In recent years, the smart home devices industry has rapidly developed, and intelligence has become the main focus of technology and market for most home appliance enterprises. Major manufacturers are implementing their own smart home and the Internet of Things (IoT) strategies. In the past few years, IoT, cloud computing, and intelligence has become the coveted fields of home appliance manufacturers. In addition, consumer's own consumption levels are rising, and they are willing to choose high-end home appliances to improve their quality of life. High value-added white goods will have even greater growth in the next two to three years.

In the past 30 years, the development and popularity of large appliances, mainly color TVs, refrigerators, air conditioners, and washing machines, in households, has led to the rise of home appliance manufacturers. With the market saturation and the changes in consumer habits, a variety of “non-essential” small home appliances aimed at improving and enhancing the quality of life have become popular. New types and applications of home appliances targeting segmented markets emerge endlessly, with high-end, intelligent and healthy products constantly increasing their market share, becoming the main driving force for the growth of the home appliance market.

- (3) Increasing applications of connectors in medical and green energy fields
Currently, governments worldwide are vigorously promoting the medical and green energy industries. If we dismantle the products, we can find that in addition to the fixed ECG, MRI, and ultrasound connectors used in traditional medical institutions, the demand for connectors for personal measuring devices will increase significantly in the future with the rise of preventive medicine and aesthetic medicine. The market for probe connectors for aesthetic applications such as pulse light and Botox is also expected to rise sharply. Additionally, due to the U.S. government’s healthcare reform policy aimed at reducing social welfare medical expenses, some of the orders in the U.S. market, dominated by international medical material giants such as GE, Siemens, and Philips, are expected to be gradually released to the Asian medical material industry to lower costs, providing potential opportunities for domestic connector manufacturers to enter the market. As of green energy, although European countries have reduced subsidies due to financial constraints of the European debt, countries like China and the United States are still maintaining certain policies to promote the development of solar energy and wind turbine applications, providing some room for the growth of connectors in these sectors.

D. Competitive advantage:

- (1) Products are of excellent quality, wide range, and are internationally competitive:
The Company has over 40 years of experience in producing power connectors, accumulating significant manufacturing experience and technology. Our product line is not only complete and diverse, and has also obtained various international safety certifications. The Company is regarded as a leading manufacturer in Taiwan’s power connector industry in terms of production scale, technology, and quality. Moreover, we spare no effort in process improvement and product development. Besides actively introducing automated production equipment to improve production efficiency, we have also expanded into the field of network communications. In the future, we will continue to research and develop higher-speed network cables to meet the diversified needs of our customers. As can be seen, our products are of excellent quality, variety and possess outstanding research and development capabilities, making us highly competitive internationally. We have established a solid foundation to face the international competition that lies ahead.
- (2) Establish long-term, stable supply relationships with customers:
The quality of power connector products has a crucial impact on the stability and safety of power transmission between electronic devices; therefore, customers have strict requirements for the quality of the supplied products and are reluctant to change suppliers easily. The Company is recognized for excellent production management techniques and flexible delivery capabilities, and our products have gained a solid reputation in terms of quantity and quality in the industry. This has won the trust of our customers, and as a result, we have maintained long-term and stable supply relationships with many well-known domestic and foreign manufacturers such as SAMSUNG, LG, HP, CANON, SONY, and Panasonic, etc. This has become one of the major competitive advantages for our company to maintain a foothold in the industry.
- (3) Establish overseas subsidiaries to strengthen overseas market development in response to the development trend of the business environment:
In view of the fierce competition and saturation in the domestic market, as well as the trend of establishing overseas production bases in China for Taiwan’s industrial development, the Company has established subsidiaries overseas and in Hong Kong in order to enhance the Company’s competitiveness in compliance with relevant domestic laws and regulations. Through these subsidiaries, the Company has established production and marketing bases in Southeast Asia and Brazil to produce power connection wires (devices) and provide after-sales services to customers in the neighboring regions. The Company aims to not only seize the opportunity but also to meet market demands quickly by providing stable quality and diverse products. With these strategies, the Company is expected to have great potential for development.
- (4) Establish a good quality assurance system and obtain ISO quality certification:
In the face of increasingly intense international competition, obtaining certification for the ISO-9000 series quality assurance system has gradually become a trend in the industry to expand new customer sources and improve market competitiveness. The Company has accumulated technical experience and service quality through years of hard work, and has established a good reputation in the industry. However, we still spare no effort to improve the overall level of technology and service quality. Currently, we have obtained ISO-9001:2000 certification, including ISO54001, UL, IECQ, etc. In addition, to meet future environmental requirements such as smoke-free, non-toxic, and recyclable information products, we have also obtained Sony’s Green Partner certification. We will continue to pursue self-growth and set higher goals, which is the main reason for our company to maintain its leading position in the industry.

E. Favorable and unfavorable factors for long-term development and countermeasures

(1) Favorable factors

- (A) Long-term prospects for the 5G mobile communications, electric vehicle, and green energy industries are promising

The development trend and growth potential of products in the 5G mobile communication, electric vehicle, and green energy industries provide large market opportunities for power transmission cables and local area network cables in Taiwan. Accordingly, with the sustained growth of these industries, the future market outlook is promising.

- (B) Products are of excellent quality, wide range, and are internationally competitive

The Company has accumulated significant experience and expertise in manufacturing power transmission cables and LAN cables. We are constantly improving our product quality and developing new products to meet the diversified needs of our customers. Currently, we have obtained ISO-9001:2000 certification from ASTA (UK), UL (US), IECQ etc., and Sony's Green Partner certification. These certifications demonstrate our products' stable quality, which has earned us recognition from our customers and made our products internationally competitive.

- (C) Mature production technique and the introduction of MES intelligent manufacturing system solutions

In addition to possessing professional production technique for power cord connectors, power transmission cables, and LAN cables for many years, we have also introduced advanced automated production equipment to improve production efficiency and meet the demand for new product production. Furthermore, to move towards Industry 3.5 and improve production performance through smart manufacturing, we have implemented a manufacturing execution system (MES) and integrated it with our enterprise resource planning (ERP) system. With this system in operation, the Company can effectively manage work-in-progress (WIP), quality control (SPC), and equipment integration management (EMS), alleviate the workload of personnel, and provide relevant information promptly to facilitate management decisions.

- (D) Reduce production costs and integrate production and sales divisions

In order to reduce production costs and adapt to the relocation of downstream manufacturers, the Company has established production bases in China, Vietnam, Brazil, and the United States, and has completed the planning of production and sales division. The parent company in Taiwan is dedicated to marketing, operational management, research and development, and producing high value-added products. The main production force will be located overseas to reduce production costs and provide nearby services, enhancing market competitiveness.

- (E) Excellent operating performance and sound financial structure

The Company's return on investment, net income ratio, and earnings per share have steadily grown over the last three years. Its financial structure is sound, and it has demonstrated good operating performance.

(2) Unfavorable factors:

- (A) The shortage of labor and rising labor costs in mainland China have led to an increase in production costs, which is not favorable for competitiveness. In addition, competition from the industry has become more intense in recent years, resulting in lower product orders and profits than in the past.

Countermeasures:

- The Company is actively implementing automated equipment renewal and process improvement, and outsourcing labor-intensive processes to lower labor costs and increase productivity.
- The Company has established production bases in Vietnam and the United States to take full advantage of the low labor costs in those regions and reduce production costs.

- (B) The ongoing U.S.-China trade dispute has resulted in the formation of a production base in China and limited the growth of both direct and indirect export markets. As a result, the Company is under significant pressure in the face of competition.

Countermeasures:

- The Company has established manufacturing and marketing bases in the United States, Vietnam and Brazil, which will help to expand its international business and reduce the negative impact of the U.S.-China trade dispute in the future.

- (C) Risk of exchange rate fluctuations

Countermeasures:

- The Company's finance unit always pays attention to the foreign currency trends and strengthens the contact between finance personnel and banks to obtain the banks' views on exchange rate trends and related information as a reference for hedging against the risk of exchange rate fluctuations.
- The foreign currency accounts receivable obtained through exports are retained in foreign currency deposit depending on the trend of exchange rates and potential liabilities of the Company to hedge against the risk of exchange rate fluctuations.

(D) Price fluctuations of major raw materials are subject to the influence of the international situation

Countermeasures:

- a. The Company signs long-term supply contracts with its raw material suppliers every year to ensure a stable source of raw materials. Due to the long history of cooperation between the Company and its raw material suppliers and their high degree of coordination, the suppliers are less likely to adjust their prices within a tolerable range. The Company has been cultivating its business in the industry for a long time, and its product quality and services are highly recognized by customers. Therefore, when there are significant fluctuations in international raw material prices, the Company is able to timely reflect such changes to its customers and adjust the price accordingly.

4.2.2 Usage and manufacturing processes for the Company's main products

1. Main application of key products

Product item		Main application
Power cord connection wire (device)		Power wiring products are designed to be used in PCs and peripherals, laptops, LCD monitors, printers, gaming consoles (e.g., PS4、VR、X-BOX), wearable devices, drones, and smart home devices.
Power transmission cable		Supply of the machining of power cable connectors for the electronic equipment industry.
Network cable and others	LAN Cable	Used for network transmission.
	USB Cable	Used in PCs and peripherals.

2. Manufacturing process

(1) Power cord connection wire (device)

(2) Network cable, signal cables

4.2.3 Supply situation for the Company's major raw materials
The Company has signed long-term supply contracts with suppliers for bare copper wire and has established stable supply relationships with suppliers for other raw materials.

Main raw material	Supply region	Main supplier
Bare copper wire, copper stranded wire	Taiwan	Walsin Lihwa, DOLLOR, Pacific
PVC	Taiwan	MIENGLORY, XIONG YA, Good Friend
LDPE、HDPE	Taiwan	Han Chiun
Copper sheet, terminal	Taiwan	GEM, Kuo Chie
Fuse, retaining bracket	Taiwan	GEM, He Cheng Shing, Fa Jung

4.2.4 A list of any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount of the most recent 2 fiscal years

1. Suppliers accounting for 10 percent or more of the Company's total procurement amount of the most recent 2 fiscal years

Unit: NT\$ thousands; %

Item	2024				2025				Up to the preceding quarter of the current fiscal year			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	Walsin Lihwa	909,024	18.55	None	Tai-I	967,108	19.71	None	Tai-I	318,466	23.57	None
2	Others	3,991,374	81.45	—	Others	3,940,305	80.29	—	Others	1,032,611	76.43	—
	Net purchases	4,900,398	100.00	—	Net purchases	4,917,413	100.00	—	Net purchases	1,351,077	100.00	—

For the years 2025 and 2024, the Company's purchase amounts were \$4,907,413 thousand and \$4,900,398 thousand, respectively. The decrease in purchase amount was mainly due to the increase in raw material prices and the increase in stocking quantity in 2025, while in 2024 the decrease in stocking quantity was due to the absorption of inventory. Therefore, the recent changes in the Company's purchase amounts in the past two years are still reasonable.

2. Clients accounting for 10 percent or more of the Company's total sales amount of the most recent 2 fiscal years. In 2024, 2025 and up to the first quarter of 2026, there has been no occurrence where a single customer's sales amount reached more than 10% of the total sales.

4.3 Employee Statistics for the Most Recent 2 Fiscal Years

Year		2024	2025	As of April 30, of the current fiscal year
Number of Employees	Direct labor	1,803	1,910	1,843
	Indirect labor	325	319	298
	Total	2,128	2,229	2,141
Average age		39.5	40.1	40.7
Average years of service		6.9%	7.2%	7.4
Education distribution percentage	Master's degree (including above)	0.7%	0.5%	0.5%
	College	8.6%	8.6%	8.5%
	Senior high school	29.1%	36.7%	36.1%
	Below senior high school	61.6%	54.1%	54.9%

4.4 Expenditure for Environmental Protection

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

The Company specializes in the production of power transmission cables with connectors, power transmission cables, network cables, electronic signal cables, etc. The production process does not generate significant amounts of harmful substances that could pollute the environment. Any leftover materials or waste wires from our production process are sold to legally compliant waste disposal companies. As a result, our business activities have not caused any pollution, nor have we incurred any losses or penalties due to environmental pollution.

4.5 Labor Relations

- 4.5.1 List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee lifecare:

Our employees are our most important partners in the Company's operation, and it is our primary duty and responsibility as a company to provide them with a safe, healthy, and comfortable working environment. I-SHENG has implemented a structured management system that complies with ISO45001 standards and requirements to ensure the protection of our employees' safety, hygiene, and health. We conduct free occupational health checkups and general health checkups for our employees once a year. Additionally, we have established an Occupational Health and Safety Committee, chaired by our top executive. The members of the Safety Committee, together with the Safety Officer and department heads, is responsible for regulating, implementing, supervising, reviewing, and improving internal safety, health, and sanitation practices within each

plant, ensuring compliance with local government laws and regulations. We ensure that the water, food, dormitories, working environment, lighting, ventilation, noise control, and emergency safety equipment provided to employees are regularly inspected and maintained, and fully comply with legal requirements. Emergency training and emergency drills are held regularly, and external professional institutions are hired to train employees in first aid skills and practical exercises. Regular seminars are held between the company's senior management, new employees, and junior management staff to allow employees to understand the company's culture and management direction, and to listen to colleagues' opinions and suggestions for a better future. The Company has a recreation room where employees can enjoy their leisure time and focus on the cultivation of physical and cultural qualities. Various cultural and sports activities are held regularly to ensure that employees work happily and live happily. An employee suggestion box is set up to provide a channel for employees to voice their opinions and suggestions, which can be used as a reference for improving the company's operation. We also conduct employee satisfaction surveys to understand employees' thoughts, opinions, and satisfaction with the company's strategy and culture, group operations, communication, supervisory leadership, salaries, bonuses, employee benefits, education and training, promotion and development, performance appraisal, work content, work environment, company prospects, and other aspects of their work. This serves as an important reference for improving the company.

2. Occupational safety and health management systems:

The Company is a manufacturing company specializes in producing power cords, network cables, rubber cords, and extension cords. Our ISO 45001 certification is valid from November 14, 2024 to November 13, 2026. We adhere to the concept of maintaining the safety and hygiene of our workers and strive to do our utmost in ensuring their safety and health. Our approach is based on the recognition of "compliance with regulations, hazard prevention, continuous improvement, and zero disaster". We pledge to comply with the government's safety and health laws and related requirements as the most fundamental requirement of our safety and health management, and to move towards creating a work environment with low risk of hazards.

3. Occupational safety and sanitation implementation results:

The Company has an annual public safety audit teamwork plan, with the president serving as the chief convener. The Work Safety Audit Team utilizes the "Work Safety Audit System" to register all audit reports, proposed improvement items, and specific improvement measures. These records are made available online for reference and improvement by all units. In addition, deficiencies are reviewed monthly at the Work Safety Audit Team meetings based on the proposed improvement measures.

- ① Work safety audit: The work safety audit team conducts two audits per month, while the site supervisors conduct inspections and manage first-level supervisors more than once a month.
- ② Equipment safety management: Automatic check-fixed cranes, high-pressure gas production, hanging equipment, secondary pressure vessel, forklift, lift, gas welding, acetylene sealing, electric welding, low (high) voltage equipment etc.
- ③ Work safety education and trainings and advocacy: 268 employees received education and trainings for a total of 2,406 hours in 2025.
- ④ Management personnel in charge of work safety: One class-I manager of occupational safety and health affairs, one operator of specified high-pressure gas equipment, one personnel in charge of acetylene sealing, one operator of fixed cranes, seven operators of forklift, three first aid personnels.
- ⑤ Statistics of employee fatalities and disabilities: 0 fatalities, 0 disabilities

4. Employee welfare and caring:

During their employment, our employees are entitled to the following rights or protections in accordance with the law: to receive the necessary uniforms provided by the company free of charge, to participate in labor insurance and national health insurance or to apply for national health insurance for their family members by paying a portion of the cost in accordance with the law, to pay a portion of the welfare benefits in accordance with the law and enjoy all welfare activities organized by the "Employee Welfare Committee," to pay a portion of the membership fee in accordance with the law, join the "Industrial Union," and be supervised, bound, protected and assisted by it, to use the recreational facilities, equipment, books, and magazines provided by the company, to participate in on-the-job training in accordance with regulations, or apply for subsidies to participate in various external education and trainings related to their duties. If there is a risk of physical or mental impairment due to duties, the company will pay for the full cost and arrange the necessary separation examination. In the event of death, disability, injury, or illness caused by occupational accidents, compensation will be paid in accordance with the law. In order to detect potential diseases early so that early treatment can be provided, all employees of the Company with at least ten years of service may apply for a full-body health examination subsidy in accordance with the following principles: For those aged over 45 years old, they may apply for full subsidy every two years. Those who aged over 50 years old may apply for half subsidy every year (those who have served for 15 years or more may apply for full subsidy).

5. Employees' participation in continuing education and training status:
The Company provides a conducive learning environment for our employees, who may acquire professional skills through an internal/external training and a professional training system. The Company has established "Education and Training Management Procedures" and conducts the annual education and training planning for the following fiscal year at the end of each year, according to functional and professional requirements, to plan relevant training courses that improve employees' knowledge, enhance their overall quality and operational performance. For senior executives, relevant management courses and activities are arranged irregularly each year on leadership, strategy, and execution, to enhance their management and leadership capabilities. The Company executes the following related training courses based on the annual education and training plan: (1) Pre-employment training is provided for new recruits, which includes an introduction to the Company's organization, operation system, cultural values, quality management, system operation procedures, job responsibilities, and professional knowledge training while inheritance. This is aimed at helping new employees participate in their work as soon as possible. (2) Professional training: A. Internal training: The courses are arranged by senior colleagues or department heads as instructors based on the technical and professional training required by each functional unit, which we hope to enhance employees' personal value and sense of responsibility, modify their work attitudes and work concepts, strengthen their professional skills, and improve their existing work productivity and efficiency, in preparation for career development. B. External training: The Company allocates a budget for education and training each year, sending employees to professional training institutions to receive training and acquire external professional knowledge and skills. We also encourage employees to pursue continuing education while on the job.
6. Retirement systems:
The Company was approved by the Taoyuan County Government in 1995 to establish a Supervisory Committee of Business Entities' Labor Retirement Reserve, as indicated in the Letter No. (84) Taoyuan County Government-276273. The committee is responsible for making monthly contributions to the labor retirement fund and handling employee retirement matters. This retirement plan applies to all employees who are formally appointed within the Company's establishment. The employee retirement plan established by the Company in accordance with the "Labor Pension Act" is considered a defined contribution plan. According to the Act, the Company's monthly contribution rate to the labor retirement fund shall not be less than six percent of the employee's monthly wage. The Company has already established an employee retirement plan in accordance with the Act, and it contributes six percent of the employee's monthly wage to the individual retirement account of the Bureau of Labor Insurance each month. The recognized expense for the contribution plan for 2025 and 2024 were 3,407 thousand and 3,367 thousand respectively.
The employee pension plan established by the Company in accordance with the "Labor Standards Act" is considered a defined benefit plan. Payment of employee pensions is calculated based on the seniority of service and the one month's average wage of the employee at the time of retirement approval. Two bases are given for each full year of service rendered for those with up to 15 years (inclusive). But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Company contributes monthly an amount equivalent to 2% of employees' salaries to the pension fund deposited at the Bank of Taiwan in the name of the labor pension reserve supervision committee pursuant to the Labor Standards Act. In addition, before the end of each year, the Company shall assess the balance in the aforementioned designated labor pension reserve funds account. If the amount is inadequate to pay pensions calculated according to the aforementioned calculation method for workers retiring in the same year, the Company is required to make up the difference in one appropriation before the end of March the following year.
The Ministry of Labor allocates assets in compliance with the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund". The fund is invested by self-management and entrusted management and adopts both active and passive management medium and long-term investment strategies. The Ministry of Labor sets the risk limit and control plan for the fund, taking into consideration the market, credit, and liquidity risks, so that the fund has sufficient flexibility to achieve the target return without excessive risk exposure. With regard to utilization of the fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. In case that the deficit is still inadequate to cover the surplus, treasury funds can be used to cover the deficits after the approval of the competent authority. As the Company does not have the authority to participate in the operation and management of the fund, it is unable to disclose the fair value classification of plan assets in accordance with paragraph 142 of International Accounting Standards 19. As of December 31, 2025, the Company's defined benefit plan is expected to make a contribution of \$418 in the following fiscal year.
As of December 31, 2025 and December 31, 2024, the Company's defined benefit plans are expected to expire in 2033.

7. The status of labor-management agreements and measures for preserving employees' rights and interests:
All regulations and measures related to labor relations in the Company are carried out in accordance with relevant laws and regulations, and the implementation is pretty well. Supervisors at all levels communicate and coordinate with employees regularly and hold regular employee welfare meetings to discuss and resolve various opinions of all parties in a timely manner. As a result, the relationship between employers and employees is harmonious and no disputes occur.
- 4.5.2 List any losses suffered by the Company in the most recent 2 fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: Since the establishment of the Company, we have maintained harmonious labor relations, working together to contribute to the development of the business without any disputes or losses. Moving forward, we will continue to strengthen communication between employers and employees to prevent any potential disputes.

4.6 Cyber Security Management:

- 4.6.1 Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.
 1. Cyber security management framework
The Company established an information security team in 2020, with the head of the information office of the head office as the convener, to lead the information security personnel of each department of the enterprise, regularly assess information security risks, and report to the Board of Directors. The most recent report to the Board of Directors was on January 30, 2026.
 2. Cyber security policies
1. In order to implement information security management, the Company has established an internal control system, including information circulation and information room management practices, and control of information security checks. Through the joint efforts of all employees, we expect to achieve the following policy objectives to ensure the confidentiality and integrity of information assets. 2. Ensure data access is regulated in accordance with departmental functions. 3. Ensure the continuous operation of information systems. 4. Prevent unauthorized modification or use of data and systems. Regularly conduct information security audits to ensure information security is effectively implemented.
 3. Concrete management programs
The Company's information security assessment focuses on the following key areas:
(1) Review of information architecture, (2) Review of network activity, (3) Inspection of network equipment, servers, and terminals, (4) Website security inspection, (5) Review of security settings, and (6) Email social engineering exercises. Each main assessment item has a specific management plan as follows:
(1) Review of information architecture
 1. Review the appropriateness of the measures taken for continuous operation. Examine the structure and maintenance mechanism of the relevant measures for the risk of a single point of failure, analyze the risks associated with the appropriateness of business continuity, and present the results and recommendations of the information architecture security assessment.
 2. Review the maximum impact of a single point of failure and assess the risk-bearing capacity to determine whether the impact falls within the risk tolerance level. If not, study and implement improvement plans.
 - (2) Regarding network activities, review the access records and account privileges of equipment, as well as the access records, account privileges granted, and monitoring mechanisms of network equipment, information security equipment, and servers, to ensure compliance with internal control operating standards. Verify the account privileges and access records of such equipment based on the principle of least privilege, identify abnormal records, and confirm the alert mechanism.

- (3) The network equipment, servers and terminals are regularly or timely scanned for vulnerabilities and then repaired. The vulnerability of network equipment, servers and terminals are scanned, and any vulnerabilities discovered are improved and patched. We evaluate the scope and operation mode of vulnerability scanning operations, vulnerability improvement plan, and repair situation. Based on the scanning results, we provide evaluation recommendations with a focus on identifying possible vulnerabilities and loopholes in the structure. This enables us to improve and repair the vulnerabilities and reduce overall information security risk.
 - (4) Web security testing involves penetration testing of websites, which is divided into three steps: data collection, information analysis, and target penetration. This is executed by simulating hacker attacks and utilizing security testing tools such as Nessus, Nmap, and Ixia Breaking Point to conduct penetration tests on websites with open external links, which helps to identify vulnerabilities and weaknesses of exposed websites as early as possible for prompt repair.
 - (5) We review the settings of security principles for servers (e.g., Active Directory domain service) related to “Password Setting Policy” and “Account Lockout Policy”. Through a combination of tool analysis and manual operations, we examine whether the relevant domain security policy settings are in line with the internal control regulations.
 - (6) The email social engineering exercise is aimed to test, promote, and reinforce information security education for information operators by sending out exercise emails within the internal security control scope. The main evaluation items include: 1. Email content and attachment files. 2. Email delivery time and method. 3. Email open rate and click-through rate. 4. The main objective of the subsequent improvement mechanism exercise is to help colleagues understand the risks of using emails, raise their awareness of the risks of social engineering attacks, continue to practice reducing the risks caused by social engineering attacks, and ultimately achieve the goal of protecting customer data and important operational information and services.
- 4.6.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: The Company had not suffered losses due to the occurrence of material cyber security incidents.

4.7 Important Contracts

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Procurement contract	Walsin Lihwa	2025.01.01-2025.12.31	Long-term supply agreement of original copper	None
Procurement contract	Pacific Electric Wire & Cable Co., Ltd.	2025.01.01-2025.12.31	Long-term supply agreement of original copper	None
Procurement contract	DOLLOR INTERNATIONAL INDUSTRY CO., LTD.	2025.01.01-2025.12.31	Long-term supply agreement of original copper	None

V. Review and Analysis of the Company's Financial Position and Financial Performance, as well as Risk Matters

5.1 Financial Positions:

Unit: NT\$ thousands				
Item \ Year	2025	2024	Differences	
			Amount	%
Current assets	6,314,758	6,476,983	-162,225	-2.5
Property, plant, and equipment	708,317	772,509	-64,192	-8.31
Intangible assets	579	1,013	-434	-42.84
Other assets	1,324,443	1,416,745	-92,302	-6.52
Total assets	8,348,097	8,667,250	-319,153	-3.68
Current liabilities	2,586,097	2,690,239	-104,142	-3.87
Non-current liabilities	465,098	525,064	-59,966	-11.42
Total liabilities	3,051,195	3,215,303	-164,108	-5.10
Share capital	1,876,622	1,876,622	-	-
Capital reserve	930,848	930,848	-	-
Retained earning	2,576,076	2,652,615	-76,539	-2.89
Other equity	-143,050	-44,278	-98,772	-223.07
Total shareholders' equity	5,296,902	5,451,947	-155,045	-2.84
Analysis on changes (Changes in percentage and dollar amount exceeding 20% and NT\$10 million, respectively):				
Other Equity Decrease: Primarily due to a decrease in the cumulative translation adjustments arising from the translation of the financial statements of foreign operations.				
Where the effect is of material significance, the measures to be taken in response shall be described: None.				

5.2 Financial Performance

Unit: NT\$ thousands				
Item	2025	2024	Increase (Decrease)	Change (%)
Operating revenue	7,550,216	7,363,790	186,426	2.53
Cost of operating	6,320,074	6,253,485	66,589	1.06
Gross profit	1,230,142	1,110,305	119,837	10.79
Operating expenses	450,497	506,979	-56,482	11.14
Operating net profit	779,645	603,326	176,319	29.22
Non-operating income and expenses	19,546	329,993	-310,447	-94.08
Net income before tax	799,191	933,319	-134,128	-14.37
Income tax expenses	-270,512	-265,685	-4,827	1.82
Net income (for the period)	528,679	667,634	-138,955	-20.81
Analysis on changes: (Analysis is not required if the increase or decrease is less than 20%)				
1. Increase in operating net profit : Mainly due to an increase in gross margin and a decrease in operating expenses.				
2. Increase in non-operating net expenses: Mainly due to the increase in foreign exchange loss.				
3. Increase in net income before tax: Mainly due to the increase in foreign exchange loss.				
4. Net income (for the period): Mainly due to the increase in foreign exchange loss.				

Expected Sales Volume and Its Basis, Potential Impact on the Company's Future Financial and Business Performance, and Response Plan: The company's expected sales volume is based on the sales performance of 2025, taking into account industry conditions, market demand, the company's production capacity, and the projected future needs of customers. For 2026, the company expects to sell 275,516 thousand power cord connectors, a slight increase of 7% compared to 2025. The growth is modest due to the challenges posed by U.S. tariff and trade policies in 2026, which have created uncertainties in global economic conditions and increased the uncertainty of power cord connector demand. The company expects a slight revenue growth in 2026 compared to 2025. Additionally, in 2026, the company will focus on the effective utilization of resources at its U.S. plant to address the demand conditions in the U.S. market.

5.3 Cash Flow

5.3.1 Description of cash flow changes during the most recent fiscal year:

Unit: NT\$ thousands

Item	2025	2024	Increase (Decrease)	Variance	To paid-in capital
Net cash generated by operating activities	\$ 255,407	\$ 286,521	(31,114)	-10.86	-1.66
Net cash used in investing activities	98,306	(37,962)	136,268	-358.96	7.26
Net cash used in financing activities	(687,013)	(10,874)	676,139	-6,217.94	-36.03
Effect of exchange rate changes	43,669	61,539	(17,870)	-29.04	-0.95
Net cash inflow (outflow)	289,631	299,224	(588,855)	-196.79	-31.38

Explanations on significant changes:

1. The difference in net cash flow from operating activities compared to the same period last year is primarily due to an increase in accounts receivable and inventory.
2. The difference in cash flow from investing activities compared to the same period last year is mainly due to an increase in investments accounted for using the equity method.
3. As for the cash flow from financing activities, the difference compared to the same period last year is mainly due to a decrease in other payables – related parties.

5.3.2 Corrective measures to be taken in response to illiquidity: None.

5.3.3 Liquidity analysis for the coming year:

Unit: NT\$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year ①	Net Cash Flow from Operating Activities ②	Cash Outflow (Inflow) ③	Cash Surplus (Deficit) ①+② – ③	Remedies for Cash Shortage	
				Investment Plans	Financing Plans
1,731,951	320,811	358,821	1,693,941	-	-

Analysis on cash flows in the most recent fiscal year:

- (1) Operating activities: The expected cash inflows is mainly due to the net profit of 2026.
- (2) Investing activities: Working capital and equipment for subsidiaries in Vietnam and the US.
- (3) Financing activities: Expected cash outflows from the distribution of cash dividends for the earnings of 2025.

5.4 Effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.

5.5 The Company's reinvestment policy for the most recent fiscal year, the main reasons

for the profits/losses generated thereby, the plan for improving reinvestment profitability, and investment plans for the coming year

5.5.1 The Company's main reinvestment regions are in Vietnam and the US for the most recent fiscal year

1. Investment in Vietnam: To improve competitiveness by leveraging the low production costs in the region, and to prepare for necessary global market expansion.
2. Investment in the US: To address the U.S.-China trade issues and prepared for future expansion in the American market.

5.5.2 The Company's overseas investments were profitable, primarily due to the improved competitiveness of its products and the corresponding increase in market share in the most recent fiscal year.

5.5.3 Investment plans for the coming year: None.

5.6 Risk Matters:

5.6.1 The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate in the most recent fiscal years, and response measures to be taken in the future:

1. The effect upon the Company's profits (losses) of interest rate fluctuations and response measures to be taken in the future: The interest expense of the Company in 2025 was NT\$30,050 thousand, mainly due to the accrual of interest expenses generated by bank borrowings in 2025, which were short-term funds borrowed from banks for operational procurement. Overall, the interest rate risk has not had a significant impact on the Company.
2. The effect upon the Company's profits (losses) of exchange rate fluctuations and response measures to be taken in the future during the most recent fiscal year: (1) In 2025, the Company's recognized exchange loss accounted for 0.69% of its operating revenue, primarily due to the appreciation of the TWD against the USD. In the first quarter of 2026, the recognized exchange loss accounted for 0.75% of its operating revenue, primarily due to the depreciation of the TWD against the USD. The specific measures taken by the Company in response to risks caused by exchange rate fluctuations are as follow: (1) The Company manages its currency exchange fund to cover its own foreign expenditure with its own foreign exchange earnings to effectively reduce currency risks. (2) The Company will continue to collect foreign exchange market data to have a better understanding on exchange rate trends, and convert foreign currency into TWD when exchange rate differentials are favorable, while placing funds in foreign currency time deposits to avoid losses caused by exchange rate fluctuations during normal times. (3) If the

Company expects excessive exchange rate fluctuations, it will enter into pre-sale (purchase) forward exchange contracts with financial institutions to hedge against risks caused by exchange rate fluctuations.

3. The effect upon the Company's profits (losses) of changes in the inflation rate and response measures to be taken in the future during the most recent fiscal year: The Company keeps abreast of changes in international raw material prices and adjusts product prices to reduce the impact of cost changes on the Company's profit and loss.
- 5.6.2 The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future: The Company has not engaged in high-risk or highly leveraged investments. Loans to other parties, endorsements, and guarantees are primarily extended to the affiliates of the Company. Derivatives transactions are conducted for hedging purposes only and have not resulted in significant losses. All transactions are carried out in compliance with relevant administrative measures and regulations of internal control systems.
- 5.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work: Please refer to the explanation in the section of "Letter to Shareholders" of the annual report.
- 5.6.4 Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: None.
- 5.6.5 Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response: To implement information security management and comply with the provisions of Article 8 and 9 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" regarding the management of personal information protection and computerized information processing system, the Company has established the "Management of Information Engine Room" and related operating procedures, and implemented the information work plan accordingly. The Company has also established the "Personal Information File Security Maintenance Method" to strictly manage the use of information and security maintenance; establish firewalls, electronic file encryption systems, and electronic personal data storage platforms to control and audit personnel access rights and records to reduce the Company's information security risks. Auditors of the Company conduct scheduled and unscheduled inspections for information security on an annual basis, reviewing the information security policy and reporting to the Board of Directors regularly. The audit focuses on the following points: 1. Whether a written internal control system for information security checks been established within the internal control system. 2. Whether the security control mechanism for computer network system been established to ensure the security of the transmission of data via network and prevent unauthorized access to the system. 3. Whether the Company's information security policy been formally published and communicated to all employees. 4. For cross-company computer network system, whether anti-virus software and network firewalls been installed, and the virus code regularly updated. 5. Whether employees are properly authorized to send company-related information to external parties via email. 6. Whether the Company's information personnel periodically review to see if the network operating environment is normal, keep track of the improvement of any anomaly detection, and report them to the responsible supervisors. 7. Whether the Company has formulated, regularly reviewed and revised a system recovery method, and conducted periodic testing of the system recovery plan. 8. Whether the backup equipment and backup media been stored at a safe distance from the important physical areas. 9. Whether the auditors have conducted audits in accordance with their audit procedures, achieved their control objectives, and with no significant abnormalities been identified. In light of the current trend of information security being a priority for enterprises, the Company's Information Department and User Department have clearly defined their roles and responsibilities, and the Company has strengthened its internal response capabilities. In the future, the Company will continue to strengthen the execution and mechanisms of information security protection policies in compliance with regulations and in response to international trends.
- 5.6.6 Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response: None.
- 5.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.
- 5.6.8 Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: The expansion of plants and equipment in Vietnam is mainly to improve our competitiveness by leveraging the low production costs in the region, and to prepare for necessary global market expansion. Additionally, our investment in the United States is to address the U.S.-China trade issues and prepare for future expansion in the American market. Possible risks and mitigation measures being or to be taken: None.
- 5.6.9 Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: None.
- 5.6.10 Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.
- 5.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.
- 5.6.12 Litigious and non-litigious matters: None.
- 5.6.13 Other important risks, and mitigation measures being or to be taken: None.

7.7 Other Important Matters: None.

VI. Special Items to be Included

6.1 Information related to the Company's Affiliates:

6.1.1 Consolidated Business Reports of Affiliated Enterprises

1. Organizational chart of the affiliates:

2. Basic information on the Company's affiliates:

Name of Enterprise	Date of Incorporation	Address	Paid-in Capital	Main Business Items
Master Lake Int'l Limited (B.V.I.)	1999.07.02	Offshore Incorporations Limited,P.O.Box957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	USD 50,000	Merchanting trade transaction for products such as power transmission cable, power cord connector, and hook-up wire
Waysboth Co., Ltd. (B.V.I)	2000.01.13	Offshore Incorporations Limited,P.O.Box957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	USD1,998,000	Holding company of Waysboth Co., Ltd. (H.K.)
Waysboth Co., Ltd. (H.K.)	1989.05.12	1st Floor, Yiko Industrial Building,No.10 Ka Yip Street, Chai Wan, Hong Kong	HKD12,090,000	Holding company of I-SHENG MANUFACTURING (SONG GANG) FACTORY
I-SHENG Electric Wire & Cable Company (Vietnam)	2007.07.01	Que Vo Industrial Zone D4/2, Van Duong, Bac Ninh City, Bac Ninh Province, Vietnam	USD3,600,000	Manufacturing and trading of power cord connectors
I-SHENG Viet Nam Trading and Service Co., Ltd.	2016.07.14	Que Vo Industrial Zone D4/2, Van Duong, Bac Ninh City, Bac Ninh Province, Vietnam	USD10,000	Trading of power cord connectors
I-LI ELECTRIC WIRE & CABLE (VIỆT NAM) Shareholding: 51%	2022.05.19	Protrade International Tech Park in Vietnam, Binh Duong Province, Ben Cat City, CALMETTE Avenue, 9-2, 9-3, 9-5, 9-6	USD3,000,000	Manufacturing and trading of power cord connectors
Year Sweep Limited (Samoa)	2000.03.28	Offshore Chambers, P.O.Box217, Apia, Samoa	USD20,000,000	Holding company of Minhong Wire and Cable (Shenzhen) Co., Ltd. and I-SHENG ELECTRONICS (KUNSHAN) CO., LTD.
Minhong Wire and Cable (Shenzhen) Co., Ltd.	1999.02.08	Tangxiachong Boulevard, Songgang Town, Baoan District, Shenzhen City, Guangdong Province, China	USD6,600,000	Manufacturing and trading of power transmission cables
I-SHENG ELECTRONICS (KUNSHAN) CO., LTD.	2002.07.01	No. 888, Tai Shan Road, Kunshan Development Zone, Kunshan City, Jiang Su Province, China	USD14,600,000	Manufacturing and trading for products such as power transmission cable, power cord connector, and hook-up wire
I-SHENG MANUFACTURING (SONG GANG) FACTORY	2014.11.30	Tangxiachong Boulevard, Songgang Town, Baoan District, Shenzhen City, Guangdong Province, China	HKD50,000,000	Manufacturing and trading for products such as power transmission cable, power cord connector, and hook-up wire
I-SHENG (Japan) Co., Ltd.	2009.05.01	1847-1, Hosoechonakagawa, Hamamatsu Kita-ku, Shizuoka 431-1304 Japan	JPY1,000,000	Trading of power cord connectors
TAI TUNG CO., LTD (B.V.I)	2000.03.01	Beaufort House, P.O.Box438, Road Town, Tortola ,British Virgin Islands.	USD2,000,000	Holding company of Tai Tung Co., Ltd.
Tai Tung Co., Ltd. Waysboth Co., Ltd. (H.K.)	2000.03.01	Dajiaoling Industrial Zone, Dalang Town, Dongguan City, Guangdong Province, China	HKD16,800,000	Manufacturing and trading for plastic products
I-SHENG Company (BRASIL)	2013.04.01	Rua Acara 200- Distrito industrial -Mauas/AM Brasil	BRL9,111,7808	Processing, manufacturing, and trading of power cord connectors
Admiral Global Ltd.(HK)	2024.08.15	Rm 606, Fairmont House 8 Cotton Road Admiralty, Hong Kong	USD47,702,934	Holding company of Admiral Holding Crop.(USA)

3. Presumed to have a relationship of control and subordination: None.

4. The industries covered by the business operated by the affiliates: The affiliates of the Company were established based on international marketing division, and our main business is the merchanting trade transaction of power transmission cables, power cord connectors, and hook-up wires.

5. Information of the directors, supervisors, and presidents of each affiliate and the details of their shareholding:

Name of Enterprise	Title	Name or Representative	Shareholding	
			Shares	Ratio (%)
Master Lake Int'l Limited (B.V.I)	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: T.C HUANG)	50,000	100.00%
	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: FANG, I-HSIUNG)	50,000	100.00%
Waysboth Co., Ltd. (B.V.I)	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: T.C HUANG)	1,700,000	100.00%
	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: FANG, I-HSIUNG)	1,700,000	100.00%
Waysboth Co., Ltd. (H.K.)	Director	Waysboth Co., Ltd. (Representative: T.C HUANG)	12,090,000	100.00%
	Director	Waysboth Co., Ltd. (Representative: FANG, I-HSIUNG)	12,090,000	100.00%
Year Sweep Limited. (Samoa)	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: T.C HUANG)	20,000,000	100.00%
	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: FANG, I-HSIUNG)	20,000,000	100.00%
I-SHENG Electric Wire & Cable Company (Vietnam)	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: T.C HUANG)	3,600,000	100.00%
	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: FANG, I-HSIUNG)	3,600,000	100.00%
I-SHENG Viet Nam Trading and Service Co., Ltd.	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: T.C HUANG)	10,000	100.00%
	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: FANG, I-HSIUNG)	10,000	100.00%
I-LI ELECTRIC WIRE & CABLE (VIỆT NAM) Shareholding: 51%	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: T.C HUANG)	2,550,000	51.00%
	Director	Yung Li Power Co., Ltd. (Representative: LAI, WEN-DA)	2,450,000	49.00%
Minhong Wire and Cable (Shenzhen) Co., Ltd.	Chairman	Year Sweep Limited (Representative: T.C HUANG)	-	100.00%
	Director	Year Sweep Limited (Representative: FANG, I-HSIUNG)	-	100.00%
I-SHENG ELECTRONICS (KUNSHAN) CO., LTD.	Chairman	Year Sweep Limited (Representative: T.C HUANG)	-	100.00%
	Director	Year Sweep Limited (Representative: FANG, I-HSIUNG)	-	100.00%
I-SHENG MANUFACTURING (SONG GANG) FACTORY	Director	Waysboth Co., Ltd. (Representative: T.C HUANG)	-	100.00%
	Director	Waysboth Co., Ltd. (Representative: FANG, I-HSIUNG)	-	100.00%
I-SHENG (Japan) Co., Ltd.	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: Yamashita Kazunari)	1,000	100.00%
	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: T.C HUANG)	1,000	100.00%
TAI TUNG CO., LTD (B.V.I)	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: T.C HUANG)	2,000,000	100.00%
	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: FANG, I-HSIUNG)	2,000,000	100.00%
Tai Tung Co., Ltd. Waysboth Co., Ltd. (H.K.)	Chairman	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: T.C HUANG)	-	100.00%
	Director	I-SHENG ELECTRIC WIRE & CABLE CO., LTD. (Representative: FANG, I-HSIUNG)	-	100.00%
I-SHENG Company (BRASIL)	Chairman	Renato C Montalbo	24,035,857	30.67%
Admiral Global Ltd.(HK)	Chairman	CHENG,ELMER CHI HANG	17,351,467	36.374%

6. Operations status of the Company's affiliates:

Unit: NT\$ thousands

Name of Enterprise	Capital Amount	Total Assets	Total Liabilities	Net Value	Operating Revenue	Operating Profit	Profit and Loss for the Period	Earnings Per Share
MASTER	1,600	539,795	275,885	263,910	-	8,215	-	-
WAYSBOOTH(BVI)	63,266	2,172,673	891,336	1,281,337	-	-	278,708	-
YEAR SWEEP	669,361	5,111,332	212,283	4,899,049	-	163,007	223,698	-
WAYSBOOTH(HK)	63,266	1,313,260	11,162	1,302,098	-	-410	160,307	-
I-SHENG MANUFACTURING (SONG GANG) FACTORY	208,300	2,151,097	880,182	1,270,915	2,652,224	243,192	177,087	-
Minhong Wire and Cable (Shenzhen) Co., Ltd.	194,040	291,424	5,108	286,316	-	-5,752	4,995	-
I-SHENG ELECTRONICS (KUNSHAN) CO., LTD.	429,240	1,893,220	207,175	1,686,045	1,960,590	168,760	132,582	-
I-SHENG (Japan) Co., Ltd.	364	13	214	-201	-	-	-	-
I-SHENG (Vietnam) Co., Ltd.	202,561	1,238,980	461,242	777,738	1,381,083	131,017	125,519	-
I-SHENG Vietnam Trading and Service Co., Ltd.	319	856	9	847	-	-27	45	-
TAI TUNG (B.V.I)	159,969	727,150	1,475	725,675	-	-3	78,105	-
Tai Tung Co., Ltd.	64,278	476,799	164,534	312,265	641,697	53,229	41,533	-
I-LI ELECTRIC WIRE & CABLE (VIỆT NAM)	181,831	119,082	3,967	115,115	24,243	-14,120	-12,963	-
I-SHENG (BRASIL)	531,001	1,097,971	376,442	721,529	1,961,015	358,387	24,226	-
Admiral Global Ltd.(HK)	1,538,628	1,488,614	77,547	1,411,067	152,065	-1,928	-68,178	-

6.1.2 Consolidated Financial Statements Covering Affiliated Enterprises

According to the letter No. (88) Taiwan-Finance-Securities-(6)-04448, as explained in section four and annex five, the companies shall not be required to prepare consolidated financial statements of affiliates or produce the Declaration attached to annex one of the said letter. Instead, the statement attached to annex five of the said letter shall be issued. Please refer to page 51 for details.

6.1.3 Reports on Affiliations: None.

6.2 Where the Company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

6.3 Other Matters that Require Additional Description: None.

VII. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Consolidated Financial statement of Affiliates

For the year 2025 (from January 1st, 2025 to December 31st, 2025), the companies that should be included in the preparation of consolidated financial statements for affiliates in accordance with the "Standards for the Preparation of Consolidated Business Reports for Affiliates, Consolidated Financial Statements for Affiliates, and Affiliation Reports" are the same as the companies that should be included in the preparation of consolidated financial reports for parent subsidiary companies in accordance with International Financial Reporting Standards No. 10, Moreover, the relevant information required to be disclosed in the consolidated financial statements of affiliates has been disclosed in the previous consolidated financial reports of the parent and subsidiary companies, so no separate consolidated financial statements of affiliates will be prepared.

Hereby declare

Company Name: I-sheng Electric Wire & Cable Co. Ltd.
Chairman: Zi Cheng Huang
March, 12nd 2026

I-SHENG ELECTRONIC WIRE & CABLE CO., LTD.
Statement on Internal Control

Date: March 12, 2026

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

1. The Company (the Exchange) is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company (the Exchange) has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company (the Exchange) contains self-monitoring mechanisms, however, and the Company (the Exchange) takes corrective actions as soon as a deficiency is identified.
3. The Company (the Exchange) judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets (hereinbelow, the “Regulations”). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. The Company (the Exchange) has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company (the Exchange) believes that as of December 31, 2025, its internal control system (including its supervision and management of subsidiaries and its overall implementation of information security), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws, is—with the exception of the matters, if any, specifically listed in the Appendix—effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company’s Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company (the Exchange) held on March 12, 2026, where 0 of the 9 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

I-SHENG ELECTRONIC WIRE & CABLE CO., LTD.

Chairman: T.C HUANG (signature)

President: FANG, I-HSIUNG (signature)

Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Major resolutions of the general shareholders' meeting in 2025 and execution thereof

Date	Resolution Content	Resolution and Implementation Status
06/19/2025	(1) Proposal for ratification of the Company's 2024 business report and financial statements.	The proposal of ratification was deemed approved by the attending shareholders at the meeting and was announced on the Market Observation Post system in accordance with regulations.
	(2) Proposal for ratification of the Company's 2024 earnings distribution.	The proposal for ratification was deemed approved by the attending shareholders at the meeting, and the chairman was authorized to set the ex-dividend date on July 12, 2025, with distribution scheduled for August 1, 2025. Idem.
	(3) Discussion of the amendments to the Articles of Incorporation of the Company.	The proposal for discussion was deemed approval by the attending shareholders at the meeting and the registration of the change was completed by the Finance Department on July 21, 2025.
	(4) Discussion of the amendments to the Rules and Procedures of shareholders' meetings.	The proposal of ratification was deemed approved by the attending shareholders at the meeting and was announced on the Market Observation Post system in accordance with regulations.

2. Major resolutions of the Board meetings and execution thereof

Date	Resolution Content	Resolution and Implementation Status
01/22/2025	1. Prior concurrence for Ernst & Young's performance of non-audit services. 2. Deliberation on the provision of compensation for the Company's directors and employees in 2024. 3. Deliberation on the determination of year-end bonus for the Company's managerial officers in 2024.	The ratification and discussion items were deemed approved by the attending directors at the meeting, with no other resolution or incidental motion been voiced. All matters were fully implemented.
03/12/2025	1. Proposal for ratification of the Company's 2024 financial statements and business report. 2. Proposal for the Company's 2024 earnings distribution. 3. Statement on the Company's internal control system in 2024. 4. Discussion of the amendments to the Articles of Incorporation of the Company 5. Discussion of the amendments to the Rules and Procedures of shareholders' meetings. 6. Proposal for the date, time, venue, and the resolution content of the convention of the Company's general shareholders' meeting in 2025. 7. Acceptance of proposal at the Company's regular shareholders' meeting in 2025. 8. The Company applied for a credit line from Hua Nan Commercial Bank, Ltd., Linkou Branch. 9. The evaluation of the independence and competency of the Company's CPAs. 10. Proposal for the Company's "Rules for Performance Evaluation of Board of Directors, Individual Board Members, and Functional Committees."	The ratification and discussion items were deemed approved by the attending directors at the meeting, with no other resolution or incidental motion been voiced. All matters were fully implemented.
05/09/2025	1. Proposal for ratification of the Company's 2025 Q1 consolidated financial statements. 2. Proposal for the amendment to some articles within the Company's "Internal Control Systems." 3. Amendment of partial contents of the Company's "Regulations of Approval Authority". 4. To enhance operational funds, the Company plans to apply for or renew credit lines, derivative financial instrument trading lines, and endorsement/guarantee from banks.	The ratification and discussion items were deemed approved by the attending directors at the meeting, with no other resolution or incidental motion been voiced. All matters were fully implemented.
08/09/2025	1. Proposal for ratification of the Company's 2025 Q2 consolidated financial statements.	The ratification and

	2. Deliberation on the distribution plan of compensation for the Company's directors and supervisors in 2024. 3. Deliberation on the distribution of compensation for the Company's managerial officers in 2024.	discussion items were deemed approved by the attending directors at the meeting, with no other resolution or incidental motion been voiced. All matters were fully implemented.
11/07/2025	1. Proposal for ratification of the Company's 2025 Q3 consolidated financial statements. 2. Proposal for the amendment to some articles within the Company's "Internal Control Systems." 3. Establishment of the Company's internal audit plan for 2025. 4. Proposal of establishment of scope of the Company's "non-executive employees" is submitted for discussion.	The ratification and discussion items were deemed approved by the attending directors at the meeting, with no other resolution or incidental motion been voiced. All matters were fully implemented.
01/30/2026	1. Prior concurrence for Ernst & Young's performance of non-audit services. 2. Deliberation on the provision of compensation for the Company's directors and employees in 2025. 3. Deliberation on the determination of year-end bonus for the Company's managerial officers in 2025.	The ratification and discussion items were deemed approved by the attending directors at the meeting, with no other resolution or incidental motion been voiced. All matters were fully implemented.
03/12/2026	1. Proposal for ratification of the Company's 2025 financial statements and business report. 2. Proposal for the Company's 2025 earnings distribution. 3. Statement on the Company's internal control system in 2025. 4. Proposal for the date, time, venue, and the resolution content of the convention of the Company's general shareholders' meeting in 2026. 5. Acceptance of proposal at the Company's regular shareholders' meeting in 2026. 6. Matters of application for bank credit limit. 7. The evaluation of the independence and competency of the Company's CPAs. 8. Proposal for the Company's "Rules for Performance Evaluation of Board of Directors, Individual Board Members, and Functional Committees."	The ratification and discussion items were deemed approved by the attending directors at the meeting, with no other resolution or incidental motion been voiced. All matters were fully implemented.
05/09/2025	1. Proposal for ratification of the Company's 2026 Q1 consolidated financial statements. 2. Proposal for the amendment to some articles within the Company's "Internal Control Systems." 3. To enhance operational funds, the Company plans to apply for or renew credit lines, derivative financial instrument trading lines, and endorsement/guarantee from banks.	The ratification and discussion items were deemed approved by the attending directors at the meeting, with no other resolution or incidental motion been voiced. All matters were fully implemented.