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Song Chuan Precision Co., Ltd.

2025 Annual Report

Prepared by Song Chuan Precision Co., Ltd.

Printed on April 30, 2026

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One. Letter to Shareholders

We sincerely thank all shareholders' support to the Company over the past year. With the assistance of all directors and continuous effort of all employees, the Company's business has been able to develop and operate stably and successfully. The 2025 business result report is as follows:

I. 2025 Business Report

1. 2025 Business Plan Implementation Outcome

The Company primarily researches, develops, manufactures, and sells relays. Products are mainly applied to new energy, electric vehicles, the automotive industry, industrial control systems, and home appliances. The Company has deeply cultivated the new energy market and continuously monitors global market dynamics while adjusting the sales strategy as needed. Operating with a high degree of vertical integration, the Company offers end-to-end solutions encompassing product design and development, automated production equipment development, mold development, parts production, relay assembly, testing and verification, and sales, in order to provide customers with comprehensive support. In 2025, the global economy experienced significant disruption due to trade wars, tariffs and exchange rates, posing serious challenges to the Company's profitability. With the continuous effort of all employees, the Company was able to achieve revenue growth.

The following is a brief report on the 2025 business result and the 2026 business plan:

The Company's consolidated Operating revenue for 2025 was NT\$6.433 billion, an increase of 7.86% from 2024. Sales growth of new energy relays in 2025 has led to a consolidated gross profit of NT\$1.739 billion and a consolidated operating profit of NT\$467 million. The consolidated net profit for the period was NT\$269 million, of which the net profit attributable to owners of the parent was NT\$269 million, and the earnings per share was NT\$3.63.

The Company began transforming and entering the new energy market in 2010. In 2025, the sales proportion of new energy relay products reached 57.03%. Such successful transformation has enabled the Company to achieve higher growth and profit margins.

2. Profitability analysis

Item		2024	2025
Financial revenue/expenditure	Net cash flows from operating activities (NT\$ thousand)	769,736	431,461
	Net cash flows used in from investing activities (NT\$ thousand)	(529,665)	(498,426)
	Net cash flows from (used in) financing activities (NT\$ thousand)	(410,494)	270,335
Profitability	Return on assets (%)	5.81	3.15
	Return on equity (%)	10.43	4.92
	Net income before tax to paid-in capital ratio (%)	89.16	44.79
	Profit margin (%)	8.32	4.19
	Earnings per share (NT\$)	6.95	3.63

3. Research and Development Status

Year	R&D Achievements	Production application type
2025	400V/800V DC high-voltage sealed relays are widely used in EV main power, battery control, DC fast charge/discharge control, DC charging stations, DC power supply, and energy storage power supplies, in order to ensure safe and stable switch control under high-voltage DC loads.	EV, charging systems, energy storage
	The dual-circuit PCB relays are used in EV OBC (on-board charger) single/three-phase switching, supporting automatic switching between single-phase and three-phase power. Such relays are equipped with the characteristics of high withstand voltage, high current carrying capacity, and low power consumption. The miniaturized structure is advantageous to save PCB space.	Electric vehicle on-board charger (OBC)
	The solar PCB relays are suitable for inverters in solar systems and industrial UPS (uninterruptible power supply) systems. Such relays are equipped with a miniaturized design capable of effectively controlling large current loads in limited spaces.	Solar inverter, industrial UPS (uninterruptible power supply)
	High-current relays for energy storage are designed specifically for high power density applications and are suitable for charge/discharge bidirectional switching control of ESS (energy storage systems). They are equipped with high current carrying capacity and excellent reliability.	ESS (Energy Storage System)

II. 2026 Business Plan Overview

The Company's 2026 business policy will focus on three main directions of “strengthening new energy market expansion”, “meeting power demand of AI data

centers”, and “enhancing global supply chain resilience” to continue to expand revenue and profitability growth momentum.

The Company’s major production and sales policies for 2026 are as follows:

1. Strengthen new energy market development
In response to strong demand for emerging applications of energy storage systems, electric vehicles, charging systems and solar power generation, the Company continues to strengthen the cooperation with customers, grasp the market trend, and expand new energy application opportunities, in order to allow us to increase market share of energy storage applications, electric vehicles and charging systems, and thereby ensuring brand awareness and market influence.
2. Develop next-generation relay products
To cope with the future market trend, the Company has actively invested in the research and development of next-generation relays featuring high current, high voltage and low power consumption. By proactively developing key product technologies, we aim to strengthen our leading position in the industry. Meet the strong demand for data centers fueled by AI by developing products with high current density and stringent safety requirements.
3. Enhance global supply chain resilience
We actively expand production capacity across all plants to meet global customer demand while leveraging our geographically diverse production bases, in order to secure global orders and to ensure supply chain stability and resilience.
4. Enhance cost control and supply chain management
We closely monitor raw material market fluctuations and adjust inventory strategies as needed. Through an internal, consistent product design and development process, we are able to achieve comprehensive cost control from source to mass production, thereby ensuring price competitiveness.
5. Implement ESG policy and corporate sustainable development
The Company will continue to promote the ESG policy, actively pursue net zero carbon emissions and environmental sustainability and fulfill the corporate social responsibility, in order to realize sustainable business philosophy in practice.

III. Future development strategy of the Company

1. Expand market share in energy storage applications, electric vehicles, and charging systems.
2. Meet the strong demand for data centers fueled by AI by developing products with high current density and stringent safety requirements.
3. Leverage our multiple production bases, enhance the Company’s supply chain resilience, and actively pursue global customer orders.

IV. Impacts of the external competitive environment, regulatory environment and overall business environment

Under the continuous changes of the global political and economic environment, external factors of tariffs, exchange rates, rare earth and ESG regulations have posed multiple challenges to corporate operations. Song Chuan has actively leveraged both domestic and foreign production bases in recent years to strengthen supply chain stability and market competitiveness. In addition, we have also increased the flexibility and adaptability of the operations through diversification of the industrial applications, in order to face the challenges posed by the rapidly changing environment.

We welcome your feedback on the above report. We will continue to strive for innovation and improvement, in order to jointly achieve the maximum value for the Company and our shareholders.

Chairman: Chuan-Shih Wang President: Sung-Jen Wu Accounting Officer: Hsiang-An Wang

Two. Corporate Governance Report

I. Information on Directors, Supervisors, Presidents, Vice Presidents, Senior Managers, and Heads of Departments and Branches

(I) Director Information

April 18, 2026; Unit: shares; %

Title	Name	Gender and age	Nationality or place of registration	Date of first election	Date of election	Term of office	Shareholding at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in name of other persons		Main education and experience	Currently with concurrent positions in the Company or in other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Remark
							Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Title	Name	Relationships	
Chairman	Representative: Chuan-Shih Wang	Male 61- 70 years old	Taiwan (R.O.C.)	2024.12.19	2024.12.19	3 years	137,444	0.19	137,444	0.17	-	-	3,671,095	4.60	Department of Mechanical Engineering, National Cheng Kung University; Year of service in the Company is 41 years	Note 1	-	-	-	
	Mu Gong Chuan Co., Ltd.	-	Taiwan (R.O.C.)	2024.12.19	2024.12.19	3 years	14,752,769	20.32	14,652,769	18.37	-	-	-	-						
Director	Sung-Jen Wu	Male 51- 60 years old	Taiwan (R.O.C.)	1997.5.1	2024.12.19	3 years	248,611	0.34	248,611	0.31	-	-	1,470,685	1.84	National Chengchi University EMBA Master of Business Administration; Department of Mechanical Engineering, National Kaohsiung Institute of Technology; Year of service in the Company is 38 years	Note 2	-	-	-	-
Director	Te-Shao Liu	Female 71- 80 years old	Taiwan (R.O.C.)	2007.6.1	2024.12.19	3 years	117,444	0.16	117,444	0.15	-	-	3,173,918	3.98	Private Chih Cheng Vocational High School; Year of service in the Company is 43 years	Note 3	-	-	-	-
Director	Hui-Min Cheng	Female 51- 60 years old	Taiwan (R.O.C.)	2024.12.19	2024.12.19	3 years	393,000	0.54	393,000	0.49	597,532	0.75	4,772,326	5.98	Department of Forestry, National Taiwan University; Zheng Zhu Land Administration Agent Office	Note 4	-	-	-	-
Director	Yung-Kuei Yu	Male 51- 60 years old	Taiwan (R.O.C.)	2020.9.25	2024.12.19	3 years	-	-	-	-	-	-	-	-	Mechanical Engineering Institute, National Chiao Tung University; Director and President of TGWest Capital Inc.	Note 5	-	-	-	-
Independent Director	Chwo-Ming Yu	Male 71- 80 years old	Taiwan (R.O.C.)	2024.12.19	2024.12.19	3 years	-	-	-	-	-	-	-	-	Ph.D. in Business Administration, University of Michigan, USA; Professor of Business Administration and Director of the Institute of Management at Chang Gung University Professor, Department of Business Administration, National Chengchi University Independent Director, Advantech Co., Ltd. Consultant, Hon Hai Precision Ind. Co., Ltd.	Note 6	-	-	-	-
Independent Director	Yih-Yuh Lee	Male 61- 70 years old	Taiwan (R.O.C.)	2024.12.19	2024.12.19	3 years	-	-	-	-	-	-	-	-	Ph.D. in Industrial Engineering, Kansas State University Adjunct Associate Professor, Department of Business Administration, National Chengchi University Associate Professor, Department of Business Administration, National Chengchi University	Note 7	-	-	-	-
Independent Director	Chia-Chi Lu	Female 51- 60 years old	Taiwan (R.O.C.)	2024.12.19	2024.12.19	3 years	-	-	-	-	-	-	-	-	Ph.D. in Accounting, National Chengchi University Associate Professor of the Department of Accounting and Finance, National Central University	Note 8	-	-	-	-
Independent Director	Min-Hung Tsay	Male 41- 50 years old	Taiwan (R.O.C.)	2024.12.19	2024.12.19	3 years	-	-	-	-	-	-	-	-	Ph.D. in International Business from National Taiwan University and Finance from National Central University	-	-	-	-	-

Title	Name	Gender and age	Nationality or place of registration	Date of first election	Date of election	Term of office	Shareholding at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in name of other persons		Main education and experience	Currently with concurrent positions in the Company or in other companies	Other managers, directors or supervisors with relationship of spouse or within second degree of kinship			Remark
							Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Title	Name	Relationships	
															Associate Researcher, Humanities and Social Sciences Research Center, Academia Sinica Deputy Executive Editor, Humanities and Social Sciences Journal, Academia Sinica Adjunct Associate Professor, Institute of Industrial Economics, National Central University Adjunct Associate Professor, Department of Economics, National Chung Cheng University Adjunct Associate Professor, Department of Economics, National Taipei University Associate Professor, Department of Economics, National Chung Cheng University					

- Note 1: Chief Strategy Officer of the Company, Chairman of Song Chuan (Xiamen) Precision Electron Co., Ltd., Chairman of Shanghai Song Chuan Precision Electron Co., Ltd., Chairman of Xiamen Song Chuan Precision Co., Ltd., Director of Song Chuan Precision Americas, Director of Song-Chuan U.S.A., Inc., Director of Song Chuan Korea Co., Ltd., Chairman of Mu Gong Chuan Co., Ltd., Director of Song Hilltops Limited, Director of Best Worldwide Limited, Director of Bao Planet Limited, Chairman of Sehun Investment Co., Ltd., Director of Premier Classic Limited, Director of Shine Land Enterprises Limited.
- Note 2: President of the Company, Director of Song Chuan Precision Americas, Director of Song-Chuan U.S.A., Inc., Chairman of Zonic Enterprise Co., Ltd., Director of Next Champ Investments Limited, Director of Triple Benefit Investments Limited, Chairman of Ching Ho Feng Co., Ltd., Director of Premier Classic Limited, Director of Shine Land Enterprises Limited.
- Note 3: Vice President of Finance Department of the Company, Director of Song Chuan Precision Americas, Director of Holly Green Limited, Director of Treasure Starlight Limited, Chairman of Mu Yuer Co., Ltd.
- Note 4: Director of Jia Cheng Investments Limited, Director of Heritage Treasure Limited, Chairman of Jiacheng International Co., Ltd., Director of Profit Blueprint Global Ltd., Supervisor of Mu Gong Chuan Co., Ltd.
- Note 5: Director of TXOne Networks Inc., Director of Maeden Innovation Co., Ltd., Independent Director of Clientron Corp., Director of YSI II Investment Corporation, Director of YSI III Investment Corporation, Director of YSI Asia II Investment Corporation, Director of Yi Sheng Partner Corporation, Supervisor of Yi Da Partner Corporation, Director of TGVest Capital II ,Ltd., Director of YSI Asia I Investment Corporation, Director of YSI Partners II Corporation, Director of TGVest Capital Inc., Director of Yi Hui Investment Corporation, Independent Director of Edom Technology Co., Ltd., Director of TGVest Capital III, Ltd., Director of Yi Sheng Investment Corporation, Director of Yi Wei Investment Corporation.
- Note 6: Independent Director of Integrated Service Technology Inc., Independent Director of Axiomtek Co., Ltd., Independent Director of Wpg Holdings Limited.
- Note 7: Independent Director of Kenmec Mechanical Engineering Co., Ltd., Independent Director of Concord Medical Co., Ltd., Independent Director of Keelgoal Energy Co., Ltd.
- Note 8: Independent Director of China Steel Corporation.
- Note 9: The Chairman and the President, or their equivalent positions (top manager), being the same individual, spouses, or first degree relatives, should explain the reasons, rationality, necessity, and corresponding measures: None.

Major Shareholders of Corporate Shareholder:

April 18, 2026

Name of corporate shareholder	Major shareholder of the corporate shareholder	Shareholding ratio
Mu Gong Chuan Co., Ltd.	Jiacheng International Co., Ltd.	17.34%
	Mu Yuer Co., Ltd.	12.46%
	Yuan He Investment Co., Ltd.	12.46%
	Ruijin Preferred Investment Co., Ltd.	11.56%
	Sehun Investment Co., Ltd.	11.06%
	Songmao International Co., Ltd.	10.74%
	Wencheng Investment Co., Ltd.	9.41%
	Ching Ho Feng Co., Ltd.	5.39%
	Heng Chuan Innovation Co., Ltd.	4.81%
	Xiongying Chuangchuang Investment Co., Ltd.	4.77%

Major Shareholders of Institutional Shareholders as the Major Shareholders:

April 18, 2026

Name of corporate shareholder	Major shareholder of the corporate shareholder	Shareholding ratio
Jiacheng International Co., Ltd.	Profit Blueprint Global Limited	69.83%
	Heritage Treasure Limited	30.17%
Mu Yuer Co., Ltd.	Treasure Starlight Limited	100%
Yuan He Investment Co., Ltd.	Partner Classic Limited	100%
Ruijin Preferred Investment Co., Ltd.	Ruisin Bell International Limited	100%
Sehun Investment Co., Ltd.	Bao Planet Limited	100%
Songmao International Co., Ltd.	Perfect Yoong Limited	100%
Wencheng Investment Co., Ltd.	May Ring International Limited	100%
Ching Ho Feng Co., Ltd.	Triple Benefit Investments Limited	100%
Heng Chuan Innovation Co., Ltd.	Multi Beneficence Co., Ltd.	100%
Xiongying Chuangchuang Investment Co., Ltd.	Amaryllo Top Technology Co., Ltd.	100%

Information on Professional Qualifications and Independent Analysis Status of
Directors and Supervisors:

Qualification Name	Professional qualification and experience (Note)	Independence status	Number of companies for adjunct independent directors of other public offering companies
Chairman: Representative of Mu Gong Chuan Co., Ltd., Chuan- Shih Wang	Department of Mechanical Engineering, National Cheng Kung University; Currently serving as the President of the Company and equipped with the corporate management capability and experience	Directors of the Company are not in violation against relevant independence requirements specified in the Securities and Exchange Act.	-
Director: Sung-Jen Wu	EMBA Master of Business Administration, National Chengchi University; Currently serving as the Executive Vice President of the Company and equipped with the corporate management capability and experience.		-
Director: Te-Shao Liu	With 43 years of service in the Company; Currently serving as Vice President of Finance of the Company and equipped with financial and accounting management experience and capability.		-
Director: Hui-Min Cheng	Department of Forestry, National Taiwan University; Responsible Person of Zheng Zhu Land Administration Agent Office; Equipped with financial and industry knowledge.		-
Director: Yung-Kuei Yu	Mechanical Engineering Institute, National Chiao Tung University; Currently serving as Director and President of TGVest Capital Inc.; Equipped with financial analysis experience and capability.		2
Independent Director: Chwo- Ming Yu	Ph.D. in Business Administration, University of Michigan, USA; Professor of Business Administration and Director of the Institute of Management at Chang Gung University; Equipped with industrial and commercial management related business (international business management, entrepreneurship management) researches, teaching experience and industry knowledge.	The Company's four independent directors have complied with relevant requirements of the "Regulations Governing Appointment of Independent Directors and	3
Independent Director: Yih-Yuh Lee	Ph.D. in Industrial Engineering, Kansas State University, USA; Currently serving as Adjunct Associate Professor, Department of Business Administration, National Chengchi University; Equipped with business management related knowledge (operation and supply chain management, business		3

Qualification Name	Professional qualification and experience (Note)	Independence status	Number of companies for adjunct independent directors of other public offering companies
	decision making analysis, service innovation and management) researches, teaching experience and industry knowledge.	Compliance Matters for Public Companies” during the period of two years before the election and the their term of office.	
Independent Director: Chia-Chi Lu	Ph.D. in Accounting, National Chengchi University; Currently serving as Associate Professor of the Department of Accounting and Finance, National Central University; Equipped with accounting and financial related field researches, teaching experience and industry knowledge.		1
Independent Director: Min-Hung Tsay	Ph.D. in International Business from National Taiwan University and Finance from National Central University; Currently serving as Associate Researcher, Humanities and Social Sciences Research Center, Academia Sinica; Equipped with economy and finance related field researches, teaching experience and industry knowledge.		-

Note: None of directors of the Company is under the conditions specified in Article 30 of the Company Act.

Diversity and Independence of Board of Directors:

1. Diversity of the Board of Directors:

- (1) The Company prioritizes gender equality among its directors. Currently, the Board consists of nine directors (including four independent directors), three of whom (including one independent director) are female directors. This composition provides the Board with independent and fresh perspectives for discussion and oversight. The directors’ ages range from 41 to 80 years old, and they collectively possess the knowledge, skills and experience necessary to effectively fulfill their duties, with a strong balance of industry expertise and professional capabilities. Specifically, Chuan-Shih Wang, Chairman, and Sung-Jen Wu, Director, bring extensive industry knowledge and management experience. Te-Shao Liu, Director, and Yung-Kuei Yu, Director, have expertise in finance and accounting, while Hui-Min Cheng, Director, is knowledgeable in both finance and industry. Independent Directors Chwo-Ming Yu, Yih-Yuh

Lee, Chia-Chi Lu, and Min-Hung Tsay have significant experience in business-related research, teaching, and industry knowledge, contributing to the achievement of the Company's corporate governance objectives.

- (2) The composition of the Company's Board of Directors reflects the composition diversity as follows:

Diversity item Name of Director	Nationality	Gender	Age	Term of office and seniority of independent director		Professional background			Professional knowledge and skills				
				Less than 3 years	3 years and above	Finance and accounting	Industry experience	Marketing	Operational judgment capability	Business management capability	Crisis handling capability	International market perspective -	Leadership and decision making capability
Chairman: Chuan-Shih Wang	Taiwan (R.O.C.)	Male	61- 70 years old	-	-	-	V	V	V	V	V	V	V
Director: Sung-Jen Wu		Male	51- 60 years old	-	-	-	V	V	V	V	V	V	V
Director: Te-Shao Liu		Female	71- 80 years old	-	-	V	V	-	V	V	V	-	V
Director: Hui-Min Cheng		Female	51- 60 years old	-	-	V	-	-	V	V	V	-	V
Director: Yung-Kuei Yu		Male	51- 60 years old	-	-	-	V	-	V	V	-	V	V
Independent Director: Chwo-Ming Yu		Male	71- 80 years old	V	-	-	V	-	V	-	V	V	V
Independent Director: Yih-Yuh Lee		Male	61- 70 years old	V	-	-	V	-	V	-	V	V	V
Independent Director: Chia-Chi Lu		Female	51- 60 years old	V	-	V	V	-	V	-	V	V	V
Independent Director: Min-Hung Tsay		Male	41- 50 years old	V	-	-	V	-	V	-	V	V	V

- (3) Specific management objectives of the Board's diversity policy and achievement status:

Management objective	Achievement status
Satisfy diverse professional knowledge and skills.	Achieved
The number of independent directors shall not be less than one-third of the total number of directors.	Achieved
More than one-half of the independent directors shall serve no more than three consecutive terms.	Achieved
Board members consist of at least one female director.	Achieved
The number of directors who also serve as the Company's managers (including employees) shall not exceed one-third of directors.	Achieved

The current Board of Directors consists of nine directors (including four independent directors), all of whom are accomplished individuals with extensive professional experience. They possess expertise in areas of industry knowledge, operational judgment, business management, crisis management, international market perspectives, and leadership decision-making. The four independent directors have backgrounds in business administration, industrial engineering, financial finance, economics, and accounting. The remaining five directors have expertise and experience in industry

operations, marketing, financial accounting, business management, mechanical engineering, and technology. The implementation of Board member diversity policy is advantageous to enhance corporate governance effectiveness and operational management performance.

All of the Company's directors are citizens of Taiwan (ROC). The Board composition consists of four independent directors, three female directors, and three directors who concurrently serve as the Company's managers (including employees) (represent 44%, 33%, and 33% of the entire Board, respectively). The Company has also planned to prioritize gender equality and to increase the number of female directors in the future.

The Company's four independent directors assumed the office on December 19, 2024, and the year of service is less than one year. All independent directors have served no more than three consecutive terms.

As of the end of 2025, one director was aged 41-50 years old, four directors were aged 51-60 years old, two directors were aged 61-70 years old, and two directors were aged 71-80 years old. All independent directors complied with the regulations on independent directors set forth by the Securities and Futures Bureau, Financial Supervisory Commission.

In view of the above, the Company's Board of Directors have achieved the specific management objectives of the diversity policy.

2. Independence of the Board of Directors:

The Company's Board of Directors currently consists of 9 directors, including 4 independent directors (accounting for 44% of the Board members). None of the directors have any of the circumstances specified in Article 30 of the Company Act. All independent directors comply with the regulations related to independent directors specified by the Securities and Futures Bureau, Financial Supervisory Commission. In addition, no directors are related to each other as spouses or within the second degree of kinship. Furthermore, none of the directors are under the circumstances specified in Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act. In view of the above, the Company's Board of Directors satisfy the independence requirement.

(II) Information of President, Vice President, Associate Vice President, Heads of Departments and Branches

April 18, 2026; Unit: shares; %

Title	Name	Gender	Nationality	Date of job assumption	Number of shares held (Note 1)		Shareholding of spouse or minor children		Shareholding in name of other persons		Main education and experience	Current adjunct positions at other companies	Managerial officer with relationship of spouse or within second degree of kinship			Status of managers acquiring employee stock option certificates	Remark
					Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)			Title	Name	Relationships		
Chairman and Chief Strategy Officer	Chuan-Shih Wang	Male	Taiwan (R.O.C.)	1997.01.01	137,444	0.17	-	-	3,671,095	4.60	Department of Mechanical Engineering, National Cheng Kung University Year of service in the Company is 41 years	Note 2	-	-	-	-	-
President	Sung-Jen Wu	Male	Taiwan (R.O.C.)	2001.10.01	248,611	0.31	-	-	1,470,685	1.84	EMBA Master of Business Administration, National Chengchi University Department of Mechanical Engineering, National Kaohsiung Institute of Technology Year of service in the Company is 38 years	Note 3	-	-	-	-	-
Vice President, Finance Department	Te-Shao Liu	Female	Taiwan (R.O.C.)	2007.10.01	117,444	0.15	-	-	3,173,918	3.98	Private Chih Cheng Vocational High School Year of service in the Company is 43 years	Note 4	-	-	-	-	-
Vice President of Manufacturing Unit	Kuo-Chou Huang	Male	Taiwan (R.O.C.)	2021.07.01	544,925	0.68	-	-	-	-	Department of Electronics, Ming-Dao High School Year of service in the Company is 40 years	-	-	-	-	-	-
Vice President of Domestic Sales Department	Ruey-Her Chen	Male	Taiwan (R.O.C.)	2007.04.01	370,000	0.46	-	-	-	-	Department of Mechanical Engineering, Oriental Institute of Technology Year of service in the Company is 37 years	-	-	-	-	-	-
Vice President of R&D Department	Chia-Shen Yeh	Male	Taiwan (R.O.C.)	2019.01.01	167,214	0.21	-	-	-	-	Department of Mechanical Engineering, National Chin-Yi University of Technology Year of service in the Company is 26 years	-	-	-	-	-	-
Vice President of QA & QC Department	Yu-Shu Lin	Male	Taiwan (R.O.C.)	2021.01.01	100,000	0.13	-	-	-	-	Department of Electrical Engineering, Hwa Hsia University of Technology Year of service in the Company is 28 years	-	-	-	-	-	-
Vice President of Production Engineering Department	Long-Shin Chen	Male	Taiwan (R.O.C.)	2014.09.01	101,000	0.13	-	-	-	-	Department of Mechanical Engineering, Suzhai Industrial Junior College; Year of service in the Company is 32 years	-	-	-	-	-	-
Financial and Accounting Officer	Hsiang-An Wang	Male	Taiwan (R.O.C.)	2018.05.21	40,000	0.05	-	-	-	-	Department of Accounting, Tamkang University Financial Administrator of Unity Opto Technology Co., Ltd.; Year of service in the Company is 7 years	-	-	-	-	-	-
Corporate Governance Officer	Li-Fang Chung	Female	Taiwan (R.O.C.)	2025.01.01	5,000	0.01	-	-	-	-	Department of Accounting, Chaoyang University of Technology Audit Officer of ACE PILLAR for 12 years Year of service in the Company is 4 years	-	-	-	-	-	-
Audit Officer	Shu-Wen Yeh	Female	Taiwan (R.O.C.)	2025.01.01	4,000	0.01	-	-	-	-	Department of Applied Business, National Taipei University of Business Accounting Specialist of Plastron Precision for 8 years Year of service in the Company is 17 years	-	-	-	-	-	-
Information Security Officer	Ching-Hsiang Wu	Male	Taiwan (R.O.C.)	2025.04.18	60,000	0.08	-	-	-	-	Department of Telecommunication Engineering, China Maritime Junior College	-	-	-	-	-	-

Title	Name	Gender	Nationality	Date of job assumption	Number of shares held (Note 1)		Shareholding of spouse or minor children		Shareholding in name of other persons		Main education and experience	Current adjunct positions at other companies	Managerial officer with relationship of spouse or within second degree of kinship			Status of managers acquiring employee stock option certificates	Remark
					Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)			Title	Name	Relationships		
											Designer of Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs for 6 years Year of service in the Company is 21 years						

Note 1: The shareholdings of the aforementioned persons include trust shares held in Yuanta Commercial Bank entrusted trust property account. The number of trust shares are 50,000 shares for Kuo-Chou Huang, 50,000 shares Ruey-Her Chen, 50,000 shares for Chia-Shen Yeh, 50,000 shares for Yu-Shu Lin, 50,000 shares for Long-Shin Chen, 20,000 shares for Hsiang-An Wang, and 30,000 shares for Ching-Hsiang Wu.

Note 2: Chairman of Song Chuan (Xiamen) Precision Electron Co., Ltd., Chairman of Shanghai Song Chuan Precision Electron Co., Ltd., Chairman of Xiamen Song Chuan Precision Co., Ltd., Director of Song Chuan Precision Americas, Director of Song-Chuan U.S.A., Inc., Director of Song Chuan Korea Co., LTD., Chairman of Mu Gong Chuan Co., Ltd., Director of Song Hilltops Limited, Director of Best Worldwide Limited, Director of Bao Planet Limited, Chairman of Sehun Investment Co., Ltd., Director of Premier Classic Limited, Director of Shine Land Enterprises Limited.

Note 3: Director of Song Chuan Precision Americas, Director of Song-Chuan U.S.A., Inc., Chairman of Zonic Enterprise Co., Ltd., Director of Next Champ Investments Limited, Director of Triple Benefit Investments Limited, Chairman of Ching Ho Feng Co., Ltd., Director of Premier Classic Limited, Director of Shine Land Enterprises Limited.

Note 4: Director of Song Chuan Precision Americas, Director of Holly Green Limited, Director of Treasure Starlight Limited, Chairman of Mu Yuer Co., Ltd.

Note 5: The Chairman and the President, or their equivalent positions (top manager), being the same individual, spouses, or first degree relatives, should explain the reasons, rationality, necessity, and corresponding measures: None.

II. Remuneration paid to Directors, Supervisors, President and Vice Presidents, etc., in the Most Recent Year

(I) Remuneration of Directors

2025; Unit: NT\$ thousand; %

Title	Name	Remuneration of directors								Total of four items of A~D as a percentage of net income after tax		Remuneration received for serving as an employee concurrently								Total of seven items of A~G as a percentage of net income after tax		Remuneration from the reinvested business other than the subsidiaries or the parent company
		Remuneration (A)		Severance pay and retirement pension (B)		Remuneration of directors (C)		Business execution expenses (D)				Salary, bonus and allowance (E)		Severance pay and pension (F)		Remuneration of employees (G)						
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in financial statements	
Chairman	Mu Gong Chuan Co., Ltd.	-	-	-	-	600	600	-	-	600 0.22%	600 0.22%	-	-	-	-	-	-	-	-	600 0.22%	600 0.22%	None
	Representative: Chuan-Shih Wang	-	-	-	-	-	-	45	45	45 0.02%	45 0.02%	2,899	2,899	-	-	-	-	-	-	2,944 1.09%	2,944 1.09%	None
Director	Sung-Jen Wu	-	-	-	-	600	600	40	40	640 0.24%	640 0.24%	2,640	2,640	95	95	-	-	-	-	3,375 1.25%	3,375 1.25%	None
Director	Te-Shao Liu	-	-	-	-	600	600	45	45	645 0.24%	645 0.24%	2,460	2,460	87	87	-	-	-	-	3,192 1.19%	3,192 1.19%	None
Director	Hui-Min Cheng	-	-	-	-	600	600	45	45	645 0.24%	645 0.24%	-	-	-	-	-	-	-	-	645 0.24%	645 0.24%	None
Director	Yung-Kuei Yu	-	-	-	-	600	600	45	45	645 0.24%	645 0.24%	-	-	-	-	-	-	-	-	645 0.24%	645 0.24%	None
Independent Director	Chwo-Ming Yu	1,200	1,200	-	-	-	-	50	50	1,250 0.46%	1,250 0.46%	-	-	-	-	-	-	-	-	1,250 0.46%	1,250 0.46%	None
Independent Director	Yih-Yuh Lee	1,200	1,200	-	-	-	-	45	45	1,245 0.46%	1,245 0.46%	-	-	-	-	-	-	-	-	1,245 0.46%	1,245 0.46%	None
Independent Director	Chia-Chi Lu	1,200	1,200	-	-	-	-	55	55	1,255 0.47%	1,255 0.47%	-	-	-	-	-	-	-	-	1,255 0.47%	1,255 0.47%	None
Independent Director	Min-Hung Tsay	1,200	1,200	-	-	-	-	45	45	1,245 0.46%	1,245 0.46%	-	-	-	-	-	-	-	-	1,245 0.46%	1,245 0.46%	None
1. Please describe the payment policy, system, standard and structure for remuneration of independent directors, and explain the relationship with the remuneration payment according to the job duties handled, risks and time invested, etc.: The Company pays directors' remuneration to independent directors in accordance with the "Regulations for the Remuneration Management of Directors and Functional Committee Members", which includes remuneration (A) and business execution expenses (D). The details of the relevant individual remuneration are as follows:																						

Remuneration Range Table

Range of Remunerations to each Director of the Company	Name of Director			
	Total of first four items A+B+C+D		Total of first seven items A+B+C+D+E+F+G	
	The Company	All companies in financial statements	The Company	All companies in financial statements
Less than NT\$1,000,000	Chuan-Shih Wang, Sung-Jen Wu, Te-Shao Liu, Yung-Kuei Yu, Hui-Min Cheng, Mu Gong Chuan Co., Ltd.	Chuan-Shih Wang, Sung-Jen Wu, Te-Shao Liu, Yung-Kuei Yu, Hui-Min Cheng, Mu Gong Chuan Co., Ltd.	Yung-Kuei Yu, Hui-Min Cheng, Mu Gong Chuan Co., Ltd.	Yung-Kuei Yu, Hui-Min Cheng, Mu Gong Chuan Co., Ltd.
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Chwo-Ming Yu, Yih-Yuh Lee, Chia-Chi Lu, Min-Hung Tsay	Chwo-Ming Yu, Yih-Yuh Lee, Chia-Chi Lu, Min-Hung Tsay	Chwo-Ming Yu, Yih-Yuh Lee, Chia-Chi Lu, Min-Hung Tsay	Chwo-Ming Yu, Yih-Yuh Lee, Chia-Chi Lu, Min-Hung Tsay
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	-	-	Chuan-Shih Wang, Sung-Jen Wu, Te-Shao Liu	Chuan-Shih Wang, Sung-Jen Wu, Te-Shao Liu
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-	-	-
NT\$100,000,000 or above	-	-	-	-
Total	10 persons	10 persons	10 persons	10 persons

(II) Remuneration of Supervisors

Since December 19, 2024, the Audit Committee has been responsible for executing the functions of supervisors specified by relevant laws and regulations.

(III) Remuneration of Presidents and Vice Presidents

2025; Unit: NT\$ thousand; %

Title	Name	Salary (A)		Severance pay and retirement pension (B)		Bonuses and allowances (C)		Remuneration of employees (D)				Total of four items of A~D as a percentage of net income after tax		Remuneration from the reinvested business other than the subsidiaries or the parent company
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies listed in the financial statements	The Company		All companies in financial statements		The Company	All companies in financial statements	
President	Chuan-Shih Wang (Note 1)	13,521	13,521	713	713	9,970	9,970	-	-	-	-	24,204 8.99%	24,204 8.99%	None
Executive Vice President	Sung-Jen Wu (Note 1)													
Finance Department Vice President	Te-Shao Liu													
Administration Department Vice President	Kuo-Chou Huang (Note 1)													
Domestic Sales Department Vice President	Ruey-Her Chen													
Export Sale Department Vice President	I-Kang Lee (Note 1)													
R&D Department Vice President	Chia-Shen Yeh													
QA & QC Department Vice President	Yu-Shu Lin													
Production Engineering Department Vice President	Long-Shin Chen													
Manufacturing Unit Vice President	Te-Chi Lin (Note 1)													

Note 1: On January 1, 2026, President Chuan-Shih Wang, Vice President of Export Sale Department I-Kang Lee and Vice President of Manufacturing Unit Te-Chi Lin were released from duty, and Executive Vice President Sung-Jen Wu promoted to President, Vice President of Administration Department transferred to Vice President of Manufacturing Unit.

Remuneration Range Table

Range of Remunerations to Each President and Vice President of the Company	Names of President(s) and Vice President(s)	
	The Company	All companies in financial statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Chuan-Shih Wang, Sung-Jen Wu, Chia-Shen Yeh, Long-Shin Chen, Te-Shao Liu, I-Kang Lee, Ruey-Her Chen, Yu-Shu Lin, Te-Chi Lin, Kuo-Chou Huang	Chuan-Shih Wang, Sung-Jen Wu, Chia-Shen Yeh, Long-Shin Chen, Te-Shao Liu, I-Kang Lee, Ruey-Her Chen, Yu-Shu Lin, Te-Chi Lin, Kuo-Chou Huang
NT\$ 3,500,000 (inclusive)~NT\$ 5,000,000 (exclusive)	-	-
NT\$ 5,000,000 (inclusive)~NT\$ 10,000,000 (exclusive)	-	-
NT\$ 10,000,000 (inclusive)~NT\$ 15,000,000 (exclusive)	-	-
NT\$ 15,000,000 (inclusive)~NT\$ 30,000,000 (exclusive)	-	-
NT\$ 30,000,000 (inclusive)~NT\$ 50,000,000 (exclusive)	-	-
NT\$ 50,000,000 (inclusive)~NT\$ 100,000,000 (exclusive)	-	-
NT\$100,000,000 or above	-	-
Total	10 persons	10 persons

(IV) The names of managers who distribute the employee compensation in the most recent year (2025) and the distribution status:

Unit: NT\$ thousands; %

Title		Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Manager	President	Chuan-Shih Wang	-	-	-	-
	Executive Vice President	Sung-Jen Wu				
	Vice President, Finance Department	Te-Shao Liu				
	Vice President of Domestic Sales Department	Ruey-Her Chen				
	Vice President of Export Sale Department	I-Kang Lee				
	Vice President of R&D Department	Chia-Shen Yeh				
	Vice President of Manufacturing Unit	Te-Chi Lin				
	Vice President of Administration Department	Kuo-Chou Huang				
	Vice President of QA & QC Department	Yu-Shu Lin				
	Vice President of Production Engineering Department	Long-Shin Chen				
	Corporate Governance Officer	Li-Fang Chung				
	Financial and Accounting Officer	Hsiang-An Wang				

(V) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements or consolidated financial statements, paid in the past two fiscal years by the Company and all companies included in the parent company only or individual financial statements to the Company's directors, supervisors, presidents and vice presidents. Also, analyze and describe the remuneration policies, standards, and packages, the procedures through which remunerations were determined, and their linkage to business performance and future risks.

1. Remuneration paid to Directors, Supervisors, Presidents, and Vice Presidents of the Company paid by the Company and companies included in the individual financial statements in proportion to the net income after tax referred to in the parent company only or individual financial statements in the most recent two years:

Unit: %

Item \ Year	2024		2025	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	2.12	2.12	6.09	6.09
Supervisor	0.12	0.12	-	-
President and Vice President	4.56	4.56	8.99	8.99

2. Policy, standard and combination for payment of remuneration, establishment of procedure of remuneration, and correlation between the business performance and future risk:

The Company pays remuneration and attendance fees to directors and supervisors according to the industry standards, and payments are made according to the Company's Articles of Incorporation and resolutions made by the Board of Directors. The remuneration of managerial officers of the Company consists of salary, bonus, and employee's remuneration, which are determined based on their respective positions, responsibilities, and contributions to the Company, with consideration given to prevailing industry standards.

The Company pays remuneration to directors, supervisors, presidents and vice presidents based on the comprehensive consideration of the Company's future operational development and business risks. Remuneration is also positively correlated with business performance and is subject to adjustment based on evolving risk factors, in order to prevent directors, supervisors, presidents and vice presidents from taking excessive risks in pursuit of compensation, thereby balancing sustainable operations with effective risk management.

III. Corporate Governance Status

(I) Operation Status of the Board of Directors

For the most recent year (2025), the Company's 8th term of Board of Directors held 9 meetings, and the directors' attendance status is as follows:

Title	Name	Actual number of attendance	Number of attendance by proxy	Actual attendance (as observers) rate (%)	Remark
Chairman	Mu Gong Chuan Co., Ltd. Representative: Chuan-Shih Wang	9	0	100.00	
Director	Sung-Jen Wu	8	1	88.89	
Director	Te-Shao Liu	9	0	100.00	
Director	Hui-Min Cheng	9	0	100.00	
Director	Yung-Kuei Yu	9	0	100.00	
Independent Director	Chwo-Ming Yu	9	0	100.00	
Independent Director	Yih-Yuh Lee	9	0	100.00	
Independent Director	Min-Hung Tsay	9	0	100.00	
Independent Director	Chia-Chi Lu	9	0	100.00	

Other matters required to be recorded:

- I. When any of the following circumstances occur in connection with the functioning of the board, please state the meeting's date, period, content of motions, opinions of all independent directors, and the Company's handling of independent directors' opinions.
- (I) Matters listed in Article 14-3 of the Securities Exchange Act: The Company has established the Audit Committee on December 19, 2024; therefore, the provision of Article 14-3 of the Securities Exchange Act is not applicable. Instead, the provision of Article 14-5 of the Securities Exchange Act shall be applied. Please refer to the Audit Committee operations for further details.
- (II) Except for the above matters, other matters resolved by the Board of Directors with objection or reservation made by any independent directors, with records or a written statement: None.
- II. With regard to directors' recusal in motions involving conflicts of interest, state the names of the directors, content of the motions, reason(s) for recusal, and participation in voting concerning such motions:

Board meeting date	Name of Director	Proposal content	Reason for recusal of conflict of interest	Voting participation status
2025/03/13 3rd Meeting of 8th Term	Director Chuan-Shih Wang Director Sung-Jen Wu Director Te-Shao Liu Director Hui-Min Cheng Director Yung-Kuei Yu	2024 distribution of remuneration of employees and directors.	Due to the individual's personal conflict of interest	The individual director remuneration was discussed and voted on separately. Each director recused themselves from the discussion and voting on their own remuneration as required by law, and the proposal was passed without objection by the rest of the attending directors present.
2025/05/29 7th Meeting of 8th Term	Director Chuan-Shih Wang Director Sung-Jen Wu Director Te-Shao Liu Director Hui-Min Cheng	Ratification of the merger and acquisition of Shanghai Song Chuan Precision Electron Co., Ltd. approved by the Board of Directors on April 15, 2022.	Due to the individual's personal conflict of interest	Chuan-Shih Wang, Chairman, and Directors Sung-Jen Wu, Te-Shao Liu, and Hui-Min Cheng recused themselves from the discussion and voting due to a conflict of interest. The proposal was then unanimously approved by the remaining five directors present after consultation with the acting chair Yung-Kuei Yu.
	Director Chuan-Shih Wang Director Sung-Jen Wu Director Te-Shao Liu Director Hui-Min Cheng	Ratification of the purchase of production equipment by the subsidiary, Song Chuan (Xiamen) Precision Electron Co., Ltd. (referred to as Song	Due to the individual's personal conflict of interest	Chuan-Shih Wang, Chairman, and Directors Sung-Jen Wu, Te-Shao Liu, and Hui-Min Cheng recused themselves from the discussion and voting due to a conflict of interest. The proposal was then unanimously approved by the remaining five directors present after consultation with the acting chair Yung-Kuei

			Chuan (Xiamen)) from Xiamen Song Chuan Precision Co., Ltd., as approved by the Board of Directors On October 27, 2023.		Yu.
2025/11/13 10th Meeting of 8th Term	Director Chuan-Shih Wang Director Sung-Jen Wu	Appointment of the Company's new President.	Due to the individual's personal conflict of interest	All personnel with a conflict of interest in this matter must recuse themselves. Chuan-Shih Wang, Chairman, and Sung-Jen Wu, Director, recused themselves from the discussion and voting. Independent Director Chwo-Ming Yu was appointed as the acting chair, with the proposal passing without objection after consultation with the other attending directors.	
2025/12/22 11th Meeting of 8th Term	Director Chuan-Shih Wang	Appointment and remuneration of the Chief Strategy Officer of the Company.	Due to the individual's personal conflict of interest	All personnel with a conflict of interest in this matter must recuse themselves. Chuan-Shih Wang, Chairman, recused himself from the discussion and voting. Independent Director Chwo-Ming Yu was appointed as the acting chair, with the proposal passing without objection after consultation with the other attending directors.	
	Director Chuan-Shih Wang Director Sung-Jen Wu Director Te-Shao Liu	Individual remuneration and amount for the Company's managerial officers.	Due to the individual's personal conflict of interest	All personnel with a conflict of interest in this matter must recuse themselves. Chuan-Shih Wang, Chairman, and Sung-Jen Wu, Director, and Te-Shao Liu, Director recused themselves from the discussion and voting. Independent Director Chwo-Ming Yu was appointed as the acting chair, with the proposal passing without objection after consultation with the other attending directors.	
	Director Chuan-Shih Wang Director Sung-Jen Wu Director Te-Shao Liu	Distribution of annual remuneration to the Company's managerial officers.	Due to the individual's personal conflict of interest	All personnel with a conflict of interest in this matter must recuse themselves. Chuan-Shih Wang, Chairman, and Sung-Jen Wu, Director, and Te-Shao Liu, Director recused themselves from the discussion and voting. Independent Director Chwo-Ming Yu was appointed as the acting chair, with the proposal passing without objection after consultation with the other attending directors.	

III. TWSE/TPEx-listed companies must disclose assessment cycles and times, assessment scope and method, and assessment content, etc. for the Board self- (or peer-) assessments:

- (I) The Company's Board of Directors passed the "Rules for Performance Evaluation of Board of Directors" on December 27, 2024, stipulating that the Board shall conduct internal Board performance evaluations annually and undergo evaluation by external professional independent institutions or an external expert and scholar team at least once every three years. The internal and external Board performance evaluation results shall have been completed before the end of the first quarter of the following year.
- (II) The performance evaluations of the Company's 2025 overall Board of Directors, individual Board members, Audit Committee, and Remuneration Committee were conducted through internal self-evaluation, resulting in scores of 97.77, 98.36, 98.18, and 98.95, respectively. All results were excellent, indicating effective operation of the Company's Board of Directors and functional committees and compliance with corporate governance principles. These evaluation results were reported to the Board of Directors on March 5, 2026.

(III) Relevant implementation status

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once annually	January 1, 2025 to December 31, 2025	Board of Directors	Internal self-evaluation of Board of Directors	(1) Participation level in the operation of the Company. (2) Improvement of the quality of the Board of Directors' decision making; (3) Composition and structure of the Board of Directors. (4) The election of the directors and their continuing professional education. (5) Internal control.
		Board member	Board member self-evaluation	(1) Alignment of the goals and mission of the Company. (2) Awareness of the duties of a director. (3) Participation level in the operation of the Company. (4) Management of internal relationship and communication. (5) Professionalism and continuing professional education. (6) Internal control.

			Audit committee	Audit Committee self-evaluation	(1) Participation level in the operation of the Company. (2) Awareness of the duties of the functional committee. (3) Improvement of quality of decisions made by the functional committee. (4) Composition of the functional committee and election of its members. (5) Internal control.
			Remuneration committee	Remuneration Committee self-evaluation	(1) Participation level in the operation of the Company. (2) Awareness of the duties of the functional committee. (3) Improvement of quality of decisions made by the functional committee. (4) Composition of the functional committee and election of its members.

IV. Evaluation of the goals and implementation status of strengthening the functions of the Board of Directors in the current year and the most recent year:

- (I) To align with international corporate governance trends, the Company has amended the “Rules of Procedure for Board of Directors Meetings” on August 13, 2025, to further enhance the corporate governance level.
- (II) To improve information transparency, the Company discloses important resolutions on the Market Observation Post System (MOPS) immediately after they are adopted by the Board of Directors. Simultaneously, relevant organizational rules are updated on the Company’s website to protect shareholder rights and enhance investors’ understanding and confidence in the Company.
- (III) Purchase of liability insurance for directors
The Company renewed professional liability insurance for directors, supervisors, and key personnel on September 12, 2025, and reported this to the Board of Directors on November 13, 2025.

(II) Audit Committee Implementation Status and Supervisor Participating Board

Meeting Status:

The Company’s first Audit Committee was officially established on December 19, 2024, consisting of four independent Audit Committee members. The annual key tasks of the Audit Committee is mainly to supervise the appropriate presentation of company’s financial statements, appointment (discharge) of CPA and independence as well as performance, effective implementation of the Company’s internal control, company’s compliance with relevant laws and regulations, and control of company’s existing or potential risks. Audit Committee Implementation Status and Board Meeting Participation Status in the Most Recent Year (2025):

The Audit Committee held 9 meetings in 2025, the attendance status of independent directors was as follows:

Title	Name	Actual number of attendance	Number of attendance by proxy	Actual attendance rate (%)	Remark
Independent Director Convener	Chia-Chi Lu	9	0	100.00	
Independent Director	Chwo-Ming Yu	9	0	100.00	
Independent Director	Yih-Yuh Lee	9	0	100.00	
Independent Director	Min-Hung Tsay	9	0	100.00	

Other matters required to be recorded:

- I. If the operation of the Audit Committee involves any of the following circumstances, the date and period of the Audit Committee meeting, the content of the proposals, the objections, reservations or major suggestions of the independent directors, the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinions shall be stated:

(I) Matters specified in Article 14-5 of Securities and Exchange Act

Date/Session of the Audit Committee Meeting	Proposal content	Audit committee Resolution result	The Company's Response to Audit Committee's Opinions
2025/03/13 2nd Meeting of 1st Term	- Company's 2024 Business Report and Financial Statements (IFRSs). 2024 Earnings Distribution Proposal. - Assessment of the Competence and Independence of the Retained CPAs and the Review of Audit Fees. - Follow-up on the Financial Reporting Capability Improvement Plan. - Assessment of the Effectiveness of the Company's Internal Control System for 2024 and the Internal Control System Statement. - Amendments to the "Internal Control System" and the "Internal Audit Enforcement Rules". - Proposal on Defining the Scope of Entry-Level Employees.	Approved by all attending Committee members.	Agreed and approved by all attending directors.
2025/03/28 3rd Meeting of 1st Term	Proposal for the Company to extend loans to its subsidiaries.	Approved by all attending members as proposed without objections.	Approved unanimously by all attending directors without objection.
2025/04/18 4th Meeting of 1st Term	- Assessment of the effectiveness of the company's internal control system for the period from April 1, 2024 to March 31, 2025 and the internal control system statement. - Release of the Company's Financial Forecasts for the Second and Third Quarters of 2025. - Release of the Company's "Corporate Governance Evaluation Self-Assessment Report." - Establishment of the Company's "Risk Management Best-Practice Principles" and "Risk Management Policies and Procedures." - Appointment of the Company's Chief Information Security Officer and Information Security Personnel.	Approved by all attending Committee members.	Agreed and approved by all attending directors.
2025/05/12 5th Meeting of 1st Term	- Company's First Quarter 2025 Financial Statements (IFRSs). - Release of the Company's Financial Forecasts for the Second and Third Quarters of 2025.	Approved by all attending Committee members.	Agreed and approved by all attending directors.
2025/05/29 6th Meeting of 1st Term	- Ratification of the merger and acquisition of Shanghai Song Chuan Precision Electron Co., Ltd. approved by the Board of Directors on April 15, 2022. - Ratification of the purchase of production equipment by the subsidiary Song Chuan (Xiamen) Precision Electron Co., Ltd., from Xiamen Song Chuan Precision Co., Ltd., as approved by the Board of Directors On October 27, 2023. - Cash Capital Increase for the Subsidiaries, Song Chuan (Xiamen) and Song Chuan Precision Europe GmbH.	Approved by all attending Committee members.	Agreed and approved by all attending directors.
2025/07/21 7th Meeting of 1st Term	- Proposal on the Number of Shares to Be Issued, the Tentative Price Range, the Purpose and the Expected Benefits of the Company's Pre-IPO Cash Capital Increase. - Allocation of Subscription Quotas Reserved for Employees (Non-Managerial Officers) in Connection with the Company's Pre-IPO Cash Capital Increase Issuance of New Shares. - Company's Application for Bank Credit Lines to Meet Operating Funding Needs. - Provision of Endorsements and Guarantees by the Company for Its subsidiary.	Approved by all attending Committee members.	Agreed and approved by all attending directors.
2025/08/13 8th Meeting of 1st Term	- Company's Second Quarter 2025 Financial Statements (IFRSs). - Amendments to the Company's "Rules of Procedure for Board of Directors Meetings," "Internal Control System," and "Internal Audit Enforcement Rules."	Approved by all attending Committee members.	Agreed and approved by all attending directors.
2025/11/13 9th Meeting of 1st Term	- Company's Third Quarter 2025 Financial Statements (IFRSs). - Amendments to the General Principles of the Pre-Approval	Approved by all attending Committee	Agreed and approved by all attending directors.

	3. of Non-Assurance Services Policy (General Policy). Amendments to the Company's "Sustainable Development Best Practice Principles," "Corporate Governance Best Practice Principles," "Procedures for Handling Material Inside Information and Submitting Information on the Appointment or Dismissal of Insiders," and "Procedures for Applying for the Halt and Resumption of Emerging Stock TPEX Trading." 4. Amendments to the "Internal Control System" and "Internal Audit Enforcement Rules." 5. Changes to the Company's Information Security Personnel.	members.	
2025/12/22 10th Meeting of 1st Term	1. Assessment of the Competence and Independence of the Retained CPAs and the Review of Audit Fees. 2. Approval of the 2026 Annual Audit Plan. 3. Approval of the 2026 Business Plan (including budget). 4. Provision of Endorsements and Guarantees by the Company for Its subsidiary. 5. Amendments to the "Approval Authority Table".	Approved by all attending Committee members.	Agreed and approved by all attending directors.

(II) Any issues apart from the aforementioned matters not approved by the Audit Committee but approved by more than two-thirds of entire body of directors: None.

II. For the execution status of recusal of independent directors due to conflicts of interest, the name of independent directors, proposal content, reasons of recusal and participation in voting shall be described: None.

III. Communication between independent directors and internal auditing officers and CPAs (shall include major issues, methods, and results of communication on the Company's financial and business status, etc.).

(I) Communication between the Independent Directors and Chief Internal Auditor:

1. Regularly - The Audit Officer reports on the implementation of the internal audit plan to the Audit Committee at least once quarterly. At least once a year, the auditors report to the Audit Committee in separate communication meetings on the annual audit plan, internal audit operations, the internal control system, and an assessment of the internal control system's effectiveness. Any significant irregularities are reported to the independent directors immediately. We also respond to questions raised by the independent directors and strengthen audit procedures as instructed, in order to ensure the effectiveness of the internal control system.
2. Irregularly - Auditors' findings are communicated via telephone, email, or in person. Independent directors are notified immediately of any material non-compliance.
3. The status of communication of the Company's independent directors and internal audit officer in 2025 was proper and good. The communication status is described in the following:

Date of communication meeting	Attending personnel	Communication focus	Communication result
2025/03/13 Audit committee	Independent Director Chia-Chi Lu Independent Director Chwo-Ming Yu Independent Director Yih-Yuh Lee Independent Director Min-Hung Tsay Audit Officer Shu-Wen Yeh	1. Actual implementation status of internal audit plan for 2024 Q4. 2. Assessment of the effectiveness of the internal control system for 2024 and the internal control system statement. 3. Amendments to the "Internal Control System" and the "Internal Audit Enforcement Rules".	No opinions for the present meeting.
2025/04/18 Audit committee	Independent Director Chia-Chi Lu Independent Director Chwo-Ming Yu Independent Director Yih-Yuh Lee Independent Director Min-Hung Tsay Audit Officer Shu-Wen Yeh	1. Assessment of the effectiveness of the internal control system for the period from April 1, 2024 to March 31, 2025 and the internal control system statement.	No opinions for the present meeting.
2025/05/12 Audit committee	Independent Director Chia-Chi Lu Independent Director Chwo-Ming Yu Independent Director Yih-Yuh Lee Independent Director Min-Hung Tsay Audit Officer Shu-Wen Yeh	1. Actual implementation status of internal audit plan for 2025 Q1.	No opinions for the present meeting.
2025/08/13 Audit committee	Independent Director Chia-Chi Lu Independent Director Chwo-Ming Yu Independent Director Yih-Yuh Lee Independent Director Min-Hung Tsay Audit Officer Shu-Wen Yeh	1. Actual implementation status of internal audit plan for 2025 Q2. 2. Amendments to the "Rules of Procedure for Board of Directors Meetings," "Internal Control System" and "Internal Audit Enforcement Rules".	No opinions for the present meeting.
2025/11/13 Audit committee	Independent Director Chia-Chi Lu Independent Director Chwo-Ming Yu Independent Director Yih-Yuh Lee Independent Director Min-Hung Tsay Audit Officer Shu-Wen Yeh	1. Actual implementation status of internal audit plan for 2025 Q3. 2. Amendments to the "Internal Control System" and the "Internal Audit Enforcement Rules".	No opinions for the present meeting.

2025/12/22 One-on-one communication meeting	Independent Director Chia-Chi Lu Independent Director Chwo-Ming Yu Independent Director Yih-Yuh Lee Independent Director Min-Hung Tsay Audit Officer Shu-Wen Yeh	1. Assessment of the effectiveness of the internal control system for 2024 2. Assessment of the effectiveness of the internal control system for the period from April 1, 2024 to March 31, 2025. 3. Actual implementation status of internal audit plan for 2025. 4. 2026 Audit plan. 5. Amendments to the "Internal Control System", the "Internal Audit Enforcement Rules" and "Approval Authority Table".	No opinions for the present meeting.
2025/12/22 Audit committee	Independent Director Chia-Chi Lu Independent Director Chwo-Ming Yu Independent Director Yih-Yuh Lee Independent Director Min-Hung Tsay Audit Officer Shu-Wen Yeh	1. 2026 Audit plan. 2. Amendments to the "Approval Authority Table".	No opinions for the present meeting.

(II) Communication between CPAs and the Audit Committee:

1. Regularly – The CPAs communicate with clients at least once a year on ethics and independence, the audit personnel's responsibilities to audit the financial statements, the firm's quality management system, the types of audit or review opinion issued, the scope of audit or review, audit or review findings, annual audit planning, pre-approval non-assurance services, significant legal updates, and other communication matters.
2. Irregularly: If other operational or internal control matters require immediate communication and discussion, meetings will be arranged depending upon the situation.
3. The status of communication of the Company's independent directors and CPA in 2025 was proper and good. The communication status is described in the following:

Date of communication meeting	Attending personnel	Communication focus	Communication result
2025/03/13 Audit committee	Independent Director Chia-Chi Lu Independent Director Chwo-Ming Yu Independent Director Yih-Yuh Lee Independent Director Min-Hung Tsay CPA Rou-Lan Kuo	1. 2024 Independent Auditors' Key Audit Report.	No opinions for the present meeting.
2025/11/13 Audit committee	Independent Director Chia-Chi Lu Independent Director Chwo-Ming Yu Independent Director Yih-Yuh Lee Independent Director Min-Hung Tsay CPA Rou-Lan Kuo	1. 2025 Q3 review result and Q4 audit planning.	No opinions for the present meeting.

(III) Corporate Governance Operation Status and Discrepancies with the Corporate Governance Best-Practice Principles for TWSE/TPEX
Listed Companies and Reasons

Assessment item	Implementation status			Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and the reasons.
	Yes	No	Brief description	
I. Has the Company established and disclosed its corporate governance principles based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?"	V		The Company's Board of Directors has established the "Corporate Governance Best Practice Principles" on May 13, 2024, and all operations have been carried out in accordance with these principles. These principles have also been uploaded to the MOPS and the Company's website for stakeholders' reference. Up to the present day, there have been no material discrepancies.	No major difference.
II. Company's equity structure and shareholders' equity (I) Has the Company established internal operating procedures to handle shareholder suggestions, doubts, disputes, litigation matters and implemented them in accordance with the procedures?	V		The Company convenes shareholders' meetings in accordance with the provisions of the Company Act and related acts and regulations, and formulate comprehensive rules of procedure. The rules of procedure are implemented for matters requiring a resolution of the shareholders' meeting. In addition, the Company has established the "Operating Procedures for Handling Material Internal Information and Reporting New (or Resigned) Insider Information" and has appointed spokesperson, acting spokesperson, and stock affairs personnel. The Company's stock transfer agent handles shareholders' suggestions, questions, or disputes; and for lawsuits filed by shareholders in accordance with the law, the President's Office has appointed lawyers to handle such issues appropriately.	No major difference.
(II) Does the Company possess a list of major shareholders controlling the Company and a list of ultimate controllers of these major shareholders?	V		The Company regularly discloses a list of major shareholders and a list of ultimate controlling parties of major shareholders in accordance with relevant laws and regulations, and also reports updated information as required. At the same time, through interactions with major shareholders, the Company is able to keep track of the major shareholders with actual control over the Company and the list of ultimate controlling parties at all times.	No major difference.
(III) Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?	V		The Company operates independently from its affiliated enterprises and has established internal control and internal audit systems within those affiliated enterprises. The Company has put in place the "Procedures for Transactions with Business Groups, Specified Companies, and Related Parties", the "Standards for Financial Affairs between Related Parties", and the "Regulations for Supervision and Management of Subsidiaries", in order to effectively control operational risk of affiliated enterprises.	No major difference.

Assessment item	Implementation status			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons.
	Yes	No	Brief description	
(IV) Has the Company established internal regulations to prohibit insiders from using undisclosed information on the market to buy and sell securities?	V		The Company has established the "Procedures for the Prevention and Management of Insider Trading" and the "Code of Ethical Conduct for Directors and Managerial Officers", and, pursuant to laws and regulations, has also established the "Operating Procedures for Handling Material Internal Information and Reporting New (or Resigned) Insider Information", in order to prevent insiders from taking advantage of their positions to seek improper benefits in the securities market.	No major difference.
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors formulated a diversity policy and specific management objectives? and are they being implemented?	V		The "Corporate Governance Best Practice Principles" of the Company require that the Board composition should follow the diversity policy, focusing on divisiveness, and gender equality, and the members of the Board shall be generally equipped with sufficient knowledge, skills, and competency to perform their duties. All directors are required to engage in continuing studies courses each year and achieve the required number of hours of study. The Company's current Board of Directors consists of nine members, including three directors with the identity of employees, accounting for 33.33%, and three female directors accounting for 33.33%, and four independent directors accounting for 44.44% of the entire Board. The directors' areas of expertise include business, finance, industry, and accounting.	No major difference.
(II) Apart from a Remuneration Committee and the Audit Committee established in accordance with law, has the Company established other types of functional committees on its own initiative?		V	The Company has established the Remuneration Committee and Audit Committee according to laws, and currently, there are no other functional committees; however, other functional committees will be established in the future according to the needs.	Other functional committees will be established in the future according to the needs.
(III) Has the Company established a set of policies and assessment tools to evaluate the board's performance? Is performance evaluated regularly at least on an annual basis? In addition, has the result of the performance assessment been submitted to the board of directors' meeting and used as reference for the remuneration	V		The Company's Board of Directors passed the "Rules for Performance Evaluation of Board of Directors" on December 27, 2024, stipulating that the Board shall conduct internal Board performance evaluations annually and undergo evaluation by external professional independent institutions or an external expert and scholar team at least once every three years. The internal and external Board performance evaluation results shall have been completed before the end of the first quarter of the following year. The scope of the Company's board evaluation includes the performance evaluation of the overall Board of Directors, individual Board members, the Audit Committee, and the Remuneration Committee. These evaluations are recorded using the relevant self-assessment questionnaires: the Board of Directors performance evaluation self-assessment questionnaire, the Board member performance evaluation self-	No major difference.

Assessment item	Implementation status			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and the reasons.
	Yes	No	Brief description	
and nomination or reelection of individual director?			assessment questionnaire, the Audit Committee performance evaluation self-assessment questionnaire, and the Remuneration Committee performance evaluation self-assessment questionnaire. The evaluation results are submitted to the Board for review and improvement, and serve as a reference for individual director's remuneration and nomination for re-election. The evaluation methods include Board of Directors internal self-evaluation, Board members' self-evaluation, peer evaluation, evaluation by external professional organizations or experts, or other appropriate methods. The Board of Directors' performance evaluation items include participation level in the Company's operations, improvement of the quality of the Board's decision-making, Board composition and structure, election and continuous training of directors, and internal control. The performance evaluation items for Board members are the Company's goals and missions, awareness of director's responsibilities, participation in the Company's operations, internal relationship management and communication, directors' professionalism and continuous training, and internal control. The Audit Committee performance evaluation items include participation in the Company's operations, awareness of functional committee responsibilities, improvement of the quality of functional committee decision-making, functional committee composition and member selection, and internal control. The Remuneration Committee performance evaluation items include participation in the Company's operations, awareness of functional committee responsibilities, improvement of the quality of functional committee decision-making, functional committee composition and member selection. In January 2026, the Company completed performance evaluations for the overall Board of Directors, individual board members, the Audit Committee, and the Remuneration Committee for 2025 (period covering January 1 to December 31, 2025). The Finance Department conducted the evaluations using an internal questionnaire. The Chairman evaluated the overall Board of Directors, individual director self-evaluation, the convener of the Audit Committee evaluated the Audit Committee, and the convener of the Remuneration Committee evaluated the Remuneration Committee. Scores were 97.77, 98.36, 98.18, and 98.95, respectively. All evaluations were excellent, demonstrating effective functionality and efficient operation of the Company's Board of Directors and functional committees, and alignment with corporate governance principles. The evaluation results were reported to the Board of Directors on March 5, 2026.	
(IV) Does the Company regularly assess the auditing CPA's independence?	V		The Company's Audit Committee and the Board of Directors annually evaluate the competence and independence of CPAs retained, and requests CPAs to provide the “Declaration of Independence” and “Audit Quality Indicators (AQIs)” and also performs evaluation according to the CPA Independence Evaluation Standards (Note 1) and the 13 items of AQI indicators. Evaluation based on the five main aspects (professionalism, quality control, independence, supervision, and innovation ability) and with reference to	No major difference.

Assessment item	Implementation status			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and the reasons.
	Yes	No	Brief description	
			AQI indicators. The CPAs and the accounting firm are verified to have auditing experience and training hours that exceed the industry average level. The results of the most recent annual evaluation were discussed and approved by the Audit Committee on December 22, 2025, and subsequently submitted to the Board of Directors for resolution on December 22, 2025 with respect to the assessment of the CPAs’ competence and independence. After the assessment, the retained CPAs are determined to meet the required standards for competence and independence, such that the reliability of the financial reports issued by the retained CPAs are verified to be proper and appropriate. The Company discloses the implementation status of assessment of the independence and competency of CPAs based on audit quality indicators (AQIs) in the Corporate Governance section of the Company’s website.	
IV. Has the publicly listed company designated a department or personnel that specializes (or is involved) in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties , aiding directors and supervisors in complying with laws and regulations, convention of board meetings and shareholder meetings, application for company registration and alternation registration, preparation of board meeting and shareholder meeting minutes etc.)?	V		On December 27, 2024, the Board of Directors resolved to appoint Finance Manager Li-Fang Chung as the Corporate Governance Officer, effective January 1, 2025, to be in charge of corporate governance matters and to assist the Board of Directors and Board members in related affairs.	No major difference.
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	V		The Company’s stakeholders include investors, employees, customers, suppliers/contractors, business partners, and government agencies. The Company has established the spokesperson system and has set up the Investor Relations section and an ESG section on the Company’s website to disclose stakeholder communications, which includes stakeholder concerns, communication channels, frequency of communication, specific response actions, and contact windows, and all details are disclosed in the Corporate Governance Operations and Stakeholder Engagement sections. In addition, the Company’s website also discloses stakeholders with sufficient information on the Company’s finance, business, and corporate governance, in order to provide sufficient information to stakeholders for decision-making and to protect their rights and interests. Stakeholder communication for 2024 was reported to the Board of	No major difference.

Assessment item	Implementation status			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and the reasons.
	Yes	No	Brief description	
			Directors on August 13, 2025, and stakeholder communication for 2025 was reported to the Board of Directors on May 13, 2026.	
VI. Has the Company commissioned professional stock agency institution to handle shareholders’ meeting affairs?	V		The Company has commissioned the Registrar & Transfer Department of Yuanta Securities Co., Ltd. to handle the shareholders’ meetings and stock affairs related matters.	No major difference.
VII. Information disclosure (I) Has the Company established a corporate website to disclose information regarding its financial business, and corporate governance status?	V		The Company has established a website and, as required, discloses its financial and corporate governance information on the MOPS and the Company’s website.	No major difference.
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, investors conference etc.)?	V		The Company’s website has been established, and the Investor Relations section has also be set up, which is regularly updated with financial and corporate governance information for investors’ reference. The Company has appointed dedicated personnel to collect and disclose company information and has implemented the spokesperson system in accordance with regulations. Information from the Company’s investor conference is disclosed on the MOPS according to the law and is simultaneously disclosed in the Investor Relations section of the Company’s website.	No major difference.
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		V	The Company's initial public offering started on October 22, 2024, the Company's shares are registered on the Emerging Stock Market on October 30, 2024, and listed for trading on October 16, 2025. Financial statements for the first, second, and third quarters of 2025 were filed ahead of schedule. However, the financial statements for 2024 and operating results for certain months of 2025 have not yet been filed early. Future filings will be conducted in accordance with the Company’s development and applicable laws and regulations.	It will be handled according to the Company's development needs, laws, and regulations in the future.
VIII. Does the Company have other important information helpful for understanding its corporate governance	V		(I) Responsibilities to customers: The Company’s vision is “To make Song Chuan a globally well-known relay manufacturing and sales company.” The Company has obtained ISO 9001 certificate and IATF 16949 certificate, and operates under the quality policy of “Quality first, Customer foremost, Down-	No major difference.

Assessment item	Implementation status			Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons.
	Yes	No	Brief description	
(including but not limited to employee rights and interests, employee care, investor relations, supplier relationships, stakeholders' rights, directors' and supervisors' continuing education, implementation of risk management policies and risk measurement standards, execution of customer policies, and the Company's purchase of liability insurance for the directors and supervisors)?			to-earth, pursuit of excellence, working in unison, and participation of all". We are committed to providing customers with safe and high-quality products, complete and accurate product information, and a customer complaint channel for post-sales support. We have conducted annual customer satisfaction surveys, in order to meet customer demands. (II) Responsibilities to shareholders: The Company regularly announces its financial status on the MOPS and the Company's website, and discloses any material information on the MOPS in a timely manner, in order to ensure that shareholders receive the Company's correct financial information and material information. (III) Responsibilities to employees: 1. The Company has established the Employee Welfare Committee and contributes to welfare funds in accordance with the Employee Welfare Fund Act, in order to organize employee welfare activities and affairs. In addition to providing holiday gift money and marriage, funeral, childbirth, and hospitalization subsidies, as well as various welfare measures, the Company also organizes employee travel, family days, Christmas activities, and year-end parties, in order to foster stronger relationships among employees, to promote employee loyalty to the organization, and to enhance morale. 2. To enhance employee efficiency and allow both the Company and its employees to share in its success, the Company has established performance appraisal management regulations and allocates bonuses based on annual operating results. Each year, the Company assesses employees on their attitude towards responsibility, work performance, ethical conduct and attendance, in order to determine employee bonuses, and the Company's Articles of Incorporation also specify that employees' remuneration is distributed in profitable years. 3. In addition to labor and health insurance and retirement and severance benefits as required by law, employees are entitled to annual health examination and health consulting services, in order to provide greater protection for all employees. 4. We have established the Education and Training Implementation Regulations, and also plan new employee pre-employment training, on-the-job training, and overseas training and study. Furthermore, regular work practices are implemented based on competency requirements, in order to achieve "learning by doing and doing by learning". At the same time, employees are encouraged to pursue external training or further enhance their job skills and knowledge. In addition, through management review meetings, the Company promotes the management philosophy and shares experience, in order to build group consensus and to cultivate reserve	

Assessment item	Implementation status			Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons.
	Yes	No	Brief description	
			management trainees. 5. To ensure employee safety at work, the Company provides and maintains a safe and healthy working environment that meets practical and regulatory requirements. The Company also regularly organizes safety and health seminars for employees, including fire safety training, fire drills, and emergency evacuation route practice, in order to minimize potential hazards that may cause employee injury. (IV) Investor relations: The Company has established the full-time spokesperson to ensure that investors are able to timely receive appropriate information on matters that may affect them. (V) Supplier relations: We maintain open communication channels with suppliers to ensure timely issue resolution and mutually beneficial outcomes. (VI) Stakeholder rights: The Company's website has set up the Investor Relations section and the Stakeholder Engagement section, providing communication channels and methods for various stakeholders, as well as contact information, and communication performance outcome for 2025 is also disclosed. (VII) Directors' continuing education: The Company's directors possess professional backgrounds in the industry and practical business management experience. The Company also irregularly provides and arranges directors' continuing education on topics of corporate governance and securities laws and regulations. By the end of 2025, all current directors have completed at least 6 hours of continuing education courses in 2025. (VIII) The Company's purchase of liability insurance for directors: The Company purchased liability insurance for the directors and key employees on September 12, 2025, and reported relevant renewal information to the Board of Directors on November 13, 2025. (IX) Implementation of risk management policies and risk measurement standards: On April 18, 2025, the Board of Directors of the Company passed a resolution to establish the "Risk Management Best-Practice Principles" and the "Risk Management Policies and Procedures". The Board of Directors is the highest governing body for risk management, and the Audit Committee serves as the highest directing unit for risk management. The Company has established a risk management team under the President, and the President also serves as the convener. The risk management team is required to regularly review the applicability of processes for identifying, preventing, and monitoring overall risks and major risk control issues. The risk management team convened a risk management assessment meeting on December 26, 2025, and resolved high-risk items and corresponding measures. The team reported risk management operations to the Audit Committee and the Board of	

Assessment item	Implementation status			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the reasons.
	Yes	No	Brief description	
			Directors on December 22, 2025, and March 5, 2026, respectively. (X) Implementation of customer policy: Please refer to pages 53–54 of the Company’s 2024 Sustainability Report. https://www.songchuan.com/sc/index.php/esgd/ (XI) Intellectual property management plan and annual implementation status: The Company reported the intellectual property management plan and annual implementation status to the Board of Directors on December 22, 2025. In 2025, the Company obtained a total of 226 patents worldwide. Please refer to pages 71–74 of this annual report for further details.	
IX. Please provide explanation on the improvement status of the corporate governance evaluation announced by the Corporate Governance Center, Taiwan Stock Exchange (TWSE) in the most recent year, and provide priority enhancement and measures for matters yet to be improved: The Company is not included in the company required for evaluation; therefore, this is not applicable.				

Note 1: CPA independence assessment standard

Assessment item	Assessment result	Whether the independence criteria are satisfied
1. CPAs have no direct or material indirect financial interest relationship with the Company.	Yes	Yes
2. CPAs do not engage in financing or guarantee actions with the Company or directors of the Company.	Yes	Yes
3. CPAs have no close business relationship and potential employment relationship with the Company.	Yes	Yes
4. CPAs and audit team members presently do not assume the position of director, manager or duties having material impact on the audit case presently or in the last two years.	Yes	Yes
5. CPAs do not hold any shares of the Company.	Yes	Yes
6. CPAs are not in kinship with service directors, managers or personnel handling duties having material impact on the audit case	Yes	Yes
7. CPAs do not act as the defender for the Company or represents the Company to negotiate conflicts with other third party.	Yes	Yes
8. Have the CPAs issued an independence statement with reference to the audit quality indicators (AQIs) to assess the competence and independence of the retained CPAs?	Yes	Yes

(IV) If the Company has established the Remuneration Committee or Nomination

Committee, the composition and operations of such committee shall be disclosed.

1. To implement corporate governance and to improve the remuneration system for directors and managers, the Company has established the Remuneration Committee on September 9, 2024, in accordance with Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The Committee consists of four members appointed by the Board of Directors through resolution, and all members of the Committee refer to the Company's independent directors. The Committee members have elected Independent Director Chwo-Ming Yu to act as the convener and meeting chair, and to represent the Committee externally. This Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below:

- (1) Review the Remuneration Committee Charter regularly and make amendment suggestions.
- (2) Establish and regularly review the performance evaluation standards, annual and long-term performance goals, and salary and remuneration policies, systems, standards and structures for the company's directors and managerial officers.
- (3) Regularly evaluate the achievement of performance targets for the Company's directors and managers, and determine the content and amount of their individual remuneration based on the evaluation results obtained in accordance with the performance evaluation standards.

2. Information of Remuneration Committee members

Qualification Identity Name		Professional qualification and experience	Independence status	Number of concurrent Remuneration Committee member of other public companies
Independent Director Convener	Chwo-Ming Yu	Please refer to pages 5-6 of this annual report for information on directors and pages 8-11 of this annual report for content related to the disclosure of directors' professional qualifications and independence.		2
Independent Director	Yih-Yuh Lee			3
Independent Director	Chia-Chi Lu			1
Independent Director	Min-Hung Tsay			0

3. Remuneration Committee Implementation Status

- (1) The Company's Remuneration Committee consists of 4 members.
- (2) Term of Office for Committee Members of the Current Term: From December 19, 2024 to December 18, 2027; 3 meetings have been convened by the Remuneration Committee in the most recent year (2025). Described below is the qualification of members and their presence status:

Title	Name	Actual number of attendance	Number of attendance by proxy	Actual attendance rate (%)	Remark
Independent Director Convener	Chwo-Ming Yu	3	0	100.00	
Independent Director	Yih-Yuh Lee	3	0	100.00	
Independent Director	Chia-Chi Lu	3	0	100.00	
Independent Director	Min-Hung Tsay	3	0	100.00	

Other matters required to be recorded:

- I. In the event where the Remuneration Committee's proposal is rejected or amended in a Board of Directors meeting, please describe the date and session of the meeting, details of the agenda, the board's resolution, and how the Company had handled the Remuneration Committee's proposals (describe the differences and reasons, if any, should the Board of Directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.
- II. For resolutions adopted by the Remuneration Committee, if any committee member has expressed dissenting or qualified opinions that are recorded or stated in writing, the date and session of the Remuneration Committee meeting, the content of the proposal, all members' opinions, and the handling of such opinions shall be disclosed: None.

4. For 2025 and up to the printing date of the annual report, the contents of the proposals and resolutions of the Remuneration Committee, and the Company's handling of the opinions of the Remuneration Committee:

Date/Session of the Remuneration Committee's Meeting	Proposal content	Resolution result	Company's handling for opinions of Remuneration Committee
2025/03/13 2nd Meeting of 2nd Term	1. Proposal for 2024 distribution of remuneration of directors of the Company.	After chair requested for consents of all attending committee members, the proposal was approved as proposed.	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
2025/07/21 3rd Meeting of 2nd Term	1. The allocation of subscription quotas reserved for employees (managerial officers) in connection with the Company's pre-IPO cash capital Increase Issuance of new shares.	After chair requested for consents of all attending committee members, the proposal was approved as proposed.	Submitted to the Board of Directors and unanimously approved by all

			directors present at the meeting.
2025/12/22 4th Meeting of 2nd Term	1. Remuneration of the Company's managerial officer (Chief Strategy Officer). 2. Individual remuneration and amount for the Company's managerial officers. 3. Distribution of annual remuneration to the Company's managerial officers.	After chair requested for consents of all attending committee members, the proposal was approved as proposed.	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
2026/03/05 5th Meeting of 2nd Term	1. The Company's distribution of 2025 directors' remuneration. 2. Individual remuneration and amount for the Company's managerial officers.	After chair requested for consents of all attending committee members, the proposal was approved as proposed.	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.

(V) Promotion of sustainable development, deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
I. Has the Company established a governance structure for promoting sustainable development, set up full-time (part-time) units for driving sustainable development, had the board of directors to authorize top management to deal with related matters and instructed the board of directors to supervise?	V		I. To advance the sustainable development goals and to enhance sustainability governance, the Company has established the Sustainable Development Committee in 2023. The Company's Sustainable Development Committee serves as the primary decision-making and implementation body for sustainable development initiatives. Its members include the Chairman, President, senior executives from relevant departments and other members designated by the Chairman. The President chairs the Committee, and an Executive Secretary is appointed to support its work. Four functional teams have been established to review the Company's core operational capabilities together with the senior executives from various fields, in order to develop mid- and long-term sustainable development plans. II. The Sustainable Development Committee serves as a cross-departmental communication platform for integrating efforts across different levels with horizontal integration among departments. To ensure the effective implementation of key corporate social responsibility and sustainable development initiatives, and to strengthen the Company's operating system, the Sustainable Development Committee has actively focused on three key areas: environmental protection (E), social responsibility (S), and corporate governance (G). This approach enables the Board of Directors to effectively fulfill its responsibilities and to protect the rights and interests of the Company, employees, shareholders and stakeholders. The Sustainable Development Committee has established four functional teams of the environmental protection team, the social participation team, the operation governance team and the sustainability information disclosure team, in order to provide supports. Each team is formed by relevant departments to identify sustainability issues relevant to the Company's operations and of concern to stakeholders, to formulate corresponding strategies and work guidelines, to prepare budgets for each organization related to sustainable development, to plan and implement annual projects, and to track results, in order to ensure that sustainable development strategy is fully incorporated into the Company's daily operations. The Sustainable Development Committee reported the 2025 sustainable development promotion status to the Board of Directors on December 22, 2025.	No major difference.
II. Has the Company conducted risk assessments on environmental, social, and corporate governance	V		I. The disclosure information covers the sustainable development performance of the key business locations of the Company from January to December 2025. The risk assessment covers the Company's operations, including existing sites in Taiwan and Mexico. In addition, subsidiaries Song Chuan (Xiamen) Precision Electron Co., Ltd. and Shanghai Song Chuan Precision Electron Co., Ltd. are included in the scope based on their relevance to the core business and potential impact of material	No major difference.

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
issues related to the Company's operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?			topics. II. The Sustainable Development Committee conducts risk assessments on environmental, social, and corporate governance topics based on the principle of materiality described in the Sustainability Report, and relevant risk management policies are also stipulated. Through identification of internal and external stakeholders, the material topics include employee health and safety, product and service quality, information security and cyber security risk management, consumer privacy and personal data protection, fair competition and operational compliance, supply chain management, and digital transformation and innovation. Based on the results of the materiality analysis, the Company has included high-priority topics into the ESG risk management mechanism and has planned the business management strategy for 2025 to 2030. 1. ESG goal setting: Key topics of employee health and safety, supply chain management, and cyber security management have been incorporated into ESG performance indicators. 2. Internal control and risk management: Enhance internal auditing and legal compliance, including environmental compliance, fair competition, and information security. 3. Transparent disclosure and stakeholder communication: Regular ESG performance reporting mechanism has been established to enhance transparency for stakeholders, including supply chain partners, investors and the government. The Company's website features a Material Topics Management section under the ESG Sustainability Operation, disclosing the process of material topic analysis, analysis results, and risk management. It also includes a risk management section that details the risk management structure, risk management process, risk management categories, implementation results, and the status of the risk management improvement plan.	
III. Environmental topics (I) Has the Company established a suitable environmental management system reflecting its industry characteristics?	V		(I) The Company has established its factories in Shulin District of New Taipei City, and Machouhou Industrial Park in Chiayi County, and has formulated environmental, safety and health management regulations in accordance with the environmental protection laws and regulations of the Ministry of Environment (such as the Air Pollution Control Act, the Water Pollution Control Act, the Waste Disposal Act, and the Toxic and Concerned Chemical Substances Control Act). Qualified waste disposal and treatment service providers have been entrusted to process our plants' industrial wastes according to relevant industrial waste environmental protection laws and regulations. The Company has obtained the ISO 14001 environmental management system certificate, which is valid from September 1, 2023, to August 31, 2026. In addition, we also perform ISO 14001 environmental management system third-party inspection annually to improve the environmental management system.	No major difference.

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			The Company has completed energy consumption statistics for electricity, natural gas, gasoline, and diesel for the Company and subsidiaries, Song Chuan (Xiamen) Precision Electron Co., Ltd. and Shanghai Song Chuan Precision Electron Co., Ltd. in 2025. The main source of energy used by the Company's production sites is electricity, providing power for operations of machineries and equipment and electricity for production facilities. In addition to energy consumption for production, the rest of the power refers to general electricity consumption for offices. The Company's Occupational Safety Department establishes environmental management goals and targets annually, which are approved by the President. The Company regularly reviews and updates the energy management mechanism to ensure effective operation, and also complies with relevant laws, regulations, and standards. The Company has implemented numerous measures in energy management to achieve energy saving and carbon reduction goals and promote sustainable environmental development. The Company has been gradually identifying equipment for reduction within the production process, such as improvements to the metal parts cleaning process, in order to not only reduce energy consumption but also decrease dust pollution and scrap rate. In the future, the Company will continue to invest resources in equipment energy optimization to fulfill the social responsibility and to ensure sustainable operations.	
(II) Has the Company striven to enhance the efficiency of its use of energy, and sought to use renewable materials with lower environmental load or impact?	V		(II) The Company has established an environmental policy and continues to implement energy saving and carbon reduction initiatives. We actively promote energy reduction measures by selecting high energy efficiency and energy-saving design equipment, in order to reduce corporate and product energy consumption. Furthermore, we have expanded the use of renewable energy to optimize energy efficiency. The goals are to achieve an 8% improvement in energy efficiency by 2026, a renewable energy utilization rate of 10% by 2028, and a renewable energy proportion of 50% by 2030. The Company uses raw materials complying with EU RoHS, REACH, and halogen-free specification, and promotes green procurement of recyclable, low-pollution, and resource-saving materials, as well as green manufacturing practices including material recycling, renewable energy use in manufacturing, and pollution reduction throughout the manufacturing process, in order to minimize the environmental impact of the Company's operations. In green manufacturing, we reduce unnecessary resource waste and seek recycling technology development. We work with upstream and downstream partners in the value chain on packaging material reuse. Additionally, we focus on feasibility testing of renewable or alternative materials with low environmental load impacts, in order to maximize circular economy benefits. Circular value is created by developing green design and material recycling technology, promoting product full life cycle	No major difference.

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			management, and strengthening waste reduction and green material application. The Company is committed to reducing energy, paper and water consumption, managing waste and recycling, and improving equipment energy efficiency. In 2025, the office replaced LED lighting fixtures, strengthened waste treatment equipment, and installed sensor lights, in order to reduce power consumption, conserve energy and to prevent pollution. Furthermore, employees are encouraged to implement resource classification and paper recycling. ISO 14067 product carbon footprint verification statement was obtained in 2026.	
(III) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?	V		(III) The Company has established the Occupational Safety Department directly under the President, in order to be responsible for environmental, safety, and health management and climate change topic management. The Company implements environmental protection related affairs in accordance with relevant laws and regulations and continues to publicize and enforce employee compliance. Climate change related topics are discussed annually in the management review meeting and significant findings are reported to the Board of Directors. The Company consistently upholds the commitment to environmental protection and continuously monitors the impact of climate change on the business operations. Climate topics have been included in the existing ISO 14001 environmental aspect assessment, in order to identify and assess climate-related risks and opportunities. Such assessment begins with the understanding of the expectations on internal and external stakeholders, in order to further manage the Company's potential operational risks. Opportunities: In 2025, the office replaced LED lighting fixtures, enhanced waste treatment equipment, and installed sensor lights. Risks: The Company continued to hold the ISO 14001 environmental management system certificate and obtained the ISO 14064-1 GHG verification report opinion statement in 2025. In 2026, the Company has obtained the ISO 14067 product carbon footprint verification statement to ensure proper management of the Company's GHG emission status. The Company has assessed the potential risks and opportunities of climate change for both present and future operations. Up to the present day, the Company has not experienced any climate disasters, and the operations have not been affected by flooding, water shortages or high temperatures. In addition, there have been no personnel injuries or deaths or supply chain disruptions. However, as climate change may occur in the future, the flood potential of the Company's plants is assessed under the most severe scenario according to the researches of the National Science and Technology Center for Disaster Reduction and Chinese scholars using the SSP5-8.5 climate scenario. The assessment indicates the result that the Shulin Plant, Chiayi Plant, and Xiamen Plant are not affected, and there are no external highways significantly impacted.	No major difference.

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			The Company has established comprehensive drainage systems at all plant sites. However, extreme weather events of typhoons or heavy rain may still cause large-scale precipitation and strong winds in the vicinity of the plants over a short period of time. Therefore, it is necessary to continue to improve the disaster prevention plans for each plant site and to strengthen the disaster resistance of its facilities to reduce the impact of extreme weather events on production and operations. For information on the Company's climate-related implementation status, please refer to pages 57~61 of this annual report.	
(IV) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?	V		(IV) The Company's 2024 Sustainability Report has disclosed GHG emissions, water consumption, and total weight of waste over the past two years, and the Company has formulated policies on GHG reduction, water consumption reduction or other waste management. Please refer to Section 1-1 and 1-2 on pages 58~61 of this annual report for the Company's 2025 GHG inventory and assurance status, as well as reduction targets, strategies, and specific action plans. GHG management: The Company has established the GHG autonomous inventory system and has formed a GHG inventory promotion organization. The President serves as chairman and is responsible for implementing the Company's GHG inventory management activities. The Company has signed the GHG inventory policy statement, committing to conduct regular GHG inventory annually and to research and analyze feasible GHG reduction solutions based on the inventory results. The Company has completed the 2024 GHG inventory in 2025 and has obtained the ISO 14064-1 GHG verification report opinion statement from a third-party verification body, thereby ensuring accurate tracking of the Company's GHG emission status. The Company has completed the 2025 GHG inventory (undergoing assurance) in 2026 and has expanded the inventory scope to include the subsidiary Shanghai Song Chuan Precision Electron Co., Ltd. In 2024, total GHG emissions were 55,491.5041 metric tons CO₂e, which increased to 57,317.0875 metric tons CO₂e in 2025, indicating an increase of 3.29% in total GHG emissions. Such increase was mainly due to a rise in the weight and number of shipments for raw material purchases. Water resource management: Taiwan Water Corporation has consistently supplied the factory with water for both production process and domestic water use. Although water resources are not a material issue for the Company, we have actively taken various measures to reduce water consumption waste and to improve water consumption efficiency. These measures include installing water-saving equipment, regularly inspecting and maintaining the water supply system to ensure that there are no leaks, installing a rainwater harvesting system, strengthening environmental awareness education, and encouraging employees to conserve water. The Company continues to implement water conservation and reuse, in order to reduce overall water intensity and carbon footprint.	No major difference.

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause																								
	Yes	No	Brief description																									
			Water consumption in last two years: <table><tr><th>Year</th><th>Water consumption (tons)</th><th>Water consumption intensity (tons/NT\$ million of revenue)</th></tr><tr><td>2024</td><td>63,663.0000</td><td>14.1312</td></tr><tr><td>2025</td><td>143,051.3910</td><td>17.4502</td></tr></table> In 2024, water consumption was 63,663.0000 tons, which increased to 143,051.3910 tons in 2025, an increase of 124.70%. Such increase was mainly due to the expanded inventory scope in 2025 to include the Company’s Mexico Plant and subsidiaries, Song Chuan (Xiamen) Precision Electron Co., Ltd. and Shanghai Song Chuan Precision Electron Co., Ltd. Waste management: The Company is committed to environmental protection, and has established the waste reduction KPI, and conducts annual performance reviews by the Sustainable Development Committee, while also implementing internal and external audits. The waste management system has qualified the ISO 14001 environmental management system certification in 2023, which is valid from September 1, 2023 to August 31, 2026. Furthermore, ISO 14001 environmental management system third-party audit is also conducted annually. To achieve sustainable resource reuse, the Company’s waste treatment principles prioritize on-site reuse to reduce raw material consumption, following which materials are recycled, and finally, incineration or landfilling of wastes is executed. Waste output quantity in last two years: <table><tr><th>Year</th><th>Hazardous wastes (tons)</th><th>Non-hazardous wastes (tons)</th><th>Total weight (tons)</th><th>Waste intensity (tons/NT\$ million of revenue)</th></tr><tr><td>2024</td><td>52.5700</td><td>2,368.6100</td><td>2,421.1800</td><td>0.5374</td></tr><tr><td>2025</td><td>174.7205</td><td>1,760.9335</td><td>1,935.6540</td><td>0.2361</td></tr></table> The total waste weight in 2024 was 2,421.1800 tons, and the total waste weight in 2025 was 1,935.6540 tons, a decrease of 20.05%. The Company pursues waste management goals of “reduction, resource utilization, and harmlessness”. We continuously reduce the potential environmental impact of waste through source control, sorted	Year	Water consumption (tons)	Water consumption intensity (tons/NT\$ million of revenue)	2024	63,663.0000	14.1312	2025	143,051.3910	17.4502	Year	Hazardous wastes (tons)	Non-hazardous wastes (tons)	Total weight (tons)	Waste intensity (tons/NT\$ million of revenue)	2024	52.5700	2,368.6100	2,421.1800	0.5374	2025	174.7205	1,760.9335	1,935.6540	0.2361	
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Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause		
	Yes	No	Brief description			
			recycling, and legal disposal. The goals are to achieve the waste recycling rate of 30% by 2026, 40% by 2028, and zero waste landfill by 2030. To achieve these goals, the Company continues to enhance the accuracy of waste classification and resource utilization efficiency.			
IV. Social topics (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations of International Bill of Human Rights?	V		(I) The Company has established the human rights governance framework with the Board of Directors at the highest supervisory level to oversee the implementation of the Company’s human rights policy and relevant management mechanisms. The Sustainable Development Committee is the Company’s primary decision-making and implementation body for sustainable development affairs. The Company has also established the social engagement team to coordinate and advance human rights-related matters. The Human Resources Department is responsible for planning and implementing the human rights policy and related management measures, in order to ensure all operations comply with human rights protection principles. The Company regularly reports the progress of human rights management to the Sustainable Development Committee. In addition, the Sustainable Development Committee annually reports to the Board of Directors on sustainable development promotion status. The report content includes human rights policies, management measures, and implementation results, in order to continuously strengthen the Company’s human rights governance and management mechanisms. The Company respects and supports fundamental human rights as outlined in international conventions, including the principles and spirit of the: “United Nations Universal Declaration of Human Rights”, the “United Nations Global Compact”, and the “International Labour Organization”, as well as other international human rights conventions. We prohibit any acts that infringe or violate human rights. The Company clearly states its commitment to treating and respecting all employees fairly and equitably and has formulated the human rights policy, which is published on the Company’s website. The human rights policy applies to all managerial officers and employees, affiliates, associates, suppliers, contractors, partners (customers, communities), and other stakeholders, and the Company is dedicated to preventing any human rights violations. Each year, the Company regularly reviews its operations, value chain and new business activities (such as mergers and acquisitions, joint ventures) and other related activities through monitoring major social issues, data analysis and questionnaires, thereby allowing the Company to identify and assess groups at risk and potential human rights risks. Furthermore, the Company continues to monitor and improve implementation results. The human rights policy and specific plan of the Company are summarized in the following: <table><tr><td>Human rights management policy</td><td>Specific management plan</td></tr></table>	Human rights management policy	Specific management plan	No major difference.
Human rights management policy	Specific management plan					

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			Prohibition of child labor, human trafficking, and forced labor in any form, and compliance with all applicable wage and working hour regulations. Working hours must comply with local legal requirements, including a daily maximum and a weekly maximum of 60 hours (except in emergencies or special circumstances), and employees must not work more than seven consecutive days. Fair living wage is paid on time, leave management system complying with regulations is provided, and safe and healthy working environment is also maintained. Respect the freedom of expression and participation for all employees. Prohibit any interfere with or restrict the legitimate exercise of employees' rights, and provide diverse, open, and two-way communication channels for internal and external stakeholders, grounded in privacy protection. Create a working environment without any harassment and discrimination. No discrimination based on gender or sexual orientation, and no unequal pay for equal work. Protect human health and the environment from hazards and risks, and protect customer business and personal information. Establish comprehensive technical research and development and manufacturing process, and implement information security and confidential information protection mechanism. Commit to ensuring that personnel's operational safety is protected and that no one benefits from exploitative human rights policies or practices. Ensure the effective operation of the complaint filing mechanism. Provide sufficient protective equipment and safety facilities at the workplace. To protect the fundamental human rights of employees, customers, and stakeholders, the Company has implemented internal promotion and established relevant measures to ensure that all employees are treated fairly, humanely and with respect. These measures include the "Work Rules", the "Management Measures for Preventing Illegal Infringement at Work" and the "Measures for Preventing Sexual Harassment at Workplace, Complaints and Disciplinary Actions", as well as complaint filing channels to protect the rights and interests of employees, customers, and stakeholders. The Company has never hired child labor. In addition, the Company has established Work Rules in accordance with the "Act of Gender Equality in Employment" and the "Employment Service Act," and regularly convenes labor-management quarterly meetings and migrant worker monthly meetings. The Company complies with relevant labor laws and regulations to fully protect the legal rights and interests of employees. The	

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			Company's personnel regulations comply with the provisions of the Labor Standards Act and are implemented in accordance with the Labor Standards Act and other applicable laws and regulations, including the work rules, in order to ensure that employee rights are protected. The Company has not received any complaints regarding labor rights and interests or human rights in 2025. In addition, 2,111 hours of human rights protection training were provided to employees, with 2,015 participants completing the training. In the future, we will continue to focus on human rights protection topics and promote related education and training, in order to enhance human rights protection awareness and to reduce the potential for related risks. The Company has disclosed the human rights policy and management plan in the Corporate Governance section of the Company's website.	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits), and properly reflected the operating performance or results in employees' remuneration?	V		(II) The Company has established and implemented reasonable employee welfare measures, and employees' remuneration includes base salary, bonuses and employee remuneration. In terms of salary, the management has linked the Company's operating performance to employees' remuneration based on individual performance. 1. Employee Remuneration Policy The Company is committed to creating a fair and reasonable remuneration system, strictly abiding by laws and regulations, providing competitive salary levels, and regularly reviewing market salary trends to ensure that employee remuneration and benefits can maintain market competitiveness. The Company adheres to the principle of equality and provides all employees with equal pay for equal work, regardless of gender, age, race and other factors. The Company pays and adjusts salaries based on personal education and experience, professional skills, and employee performance to reward contributions and motivate performance. 2. Employee welfare measures The Company has established the Employee Welfare Committee and contributes to welfare funds in accordance with the "Employee Welfare Fund Act". We plan and provide quality benefits to our employees as described in the following, in order to foster stronger relationships among colleagues, to promote organizational commitment, and to enhance morale. (1) Gift money and subsidies: Festival gift money, marriage, funeral, childbirth, and hospitalization subsidies are provided. (2) Organization of activities: Employee travel, family day, Christmas activities, and year-end dinner party. (3) Other benefits: Free lunches, free health checkups, health consultations with doctors and nurses, employee cafeteria, gym, relaxation area, nursery room, dormitory accommodation,	No major difference.

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			parking lot, group insurance, business travel accident insurance, and discounts at designated stores. The Company appropriated NT\$33,208 thousand for the employee welfare fund in 2025. In terms of attendance, the Company has established flexible working hours and, in accordance with the Labor Standards Act, may allow employees to adjust their start and end times by up to one hour without altering their daily normal working hours to accommodate family needs. In terms of the leave system, employees who have worked for a certain period of time are entitled to special leave in addition to the regular two-day weekend, as specified by the Labor Standards Act. For employees who require an extended leave period due to childcare, injury and illness, or military service, they can also apply for unpaid leave, in order to satisfy personal and family care needs. 3. Workplace diversity and equality Implement equal pay for equal work and equal promotion opportunities, and maintain over 30% female representation in supervisory roles, in order to promote sustainable and inclusive economic growth. In 2025, the number of female employees accounted for 52% of all employees, and the ratio of female executives was 35%. The Company values the rights and benefits of employees, and also shares profits with employees while maintaining a positive working environment, including comprehensive well-being support for all ethnic groups: (1) employment of colleagues with disabilities has reached the 100% target, with jobs and environmental facilities tailored to their individual needs; (2) specific projects have been implemented to support Vietnamese employees in areas of job retention, cultural integration and health and safety; (3) the Company is committed to women's empowerment in a friendly workplace, thereby ensuring a comfortable and secure working environment for employees of all genders. 4. Business performance is reflected in employees' remuneration (1) Employees' remuneration: The provision of Article 21 of the Articles of Incorporation specifies that when there is profit for the year, the Company shall set aside no less than 1.5% of its profit as for remuneration of employees and no more than 1% as the remuneration of directors. However, priority shall be given to covering cumulative losses. For the amount of remuneration of employees described in the preceding paragraph, no less than 50% of such amount shall be appropriated as remuneration of the entry-level employees. The term of profit described in the preceding paragraph refers to the profit before subtracting the distribution of the employees' remuneration and the remuneration of directors from the current year income before tax.	

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			(2) Bonus: Each year, the Company sets overall goals and strategic directions for the coming year. Departments establish performance targets aligned with company-wide objectives, and performance is reviewed periodically. Annual performance evaluations are conducted and used as the basis for employee bonus distribution. (3) Overall remuneration policy: The Company adjusts salaries annually based on market salary levels, economic trends, and individual performance, in order to maintain overall remuneration competitiveness. The average salary adjustment range in Taiwan in 2025 was 4%~5%. 5. Employee's retirement system The Company handles the retirement system in accordance with the "Labor Standards Act" (old labor pension system, defined benefit plan) and the "Labor Pension Act" (new labor pension system, defined contribution plan) as stipulated by the government. (1) Pension system under the Labor Standards Act: The Company contributes 2% of the total monthly salary of foreign national employees under the old labor pension system and deposits the funds in the Bank of Taiwan. The balance of the special account is reviewed annually at the end of each year. If the balance is insufficient to cover statutory retirement benefits for employees in the following year, contributions are completed by the end of March of that year, in order to ensure the rights of employees under the old labor pension system. The amount recognized for contributions to the old labor pension system in 2025 was NT\$27,000, which is sufficient to pay the pension of workers under the old labor pension system. (2) Pension system under the Labor Pension Act: The Company contributes 6% of employees' monthly salaries as pension to the individual accounts of employees at the Bureau of Labor Insurance. The amount recognized for the new pension system in 2025 was NT\$19,922 thousand. (3) Re-employment mechanism after retirement: The Company may negotiate re-employment agreements with individual employees who retired after serving the Company for more than 65 years, and annual evaluation is considered to determine whether re-employment is to be made. (4) The years of service for employees transferred to affiliated enterprises due to organizational changes are consolidated for calculation, in order to provide comprehensive benefits, to support a secure working environment and to achieve group talent mobility. The Company's website features a Corporate Governance section disclosing employee	

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			remuneration policy, employee welfare measures, and retirement systems and implementation status thereof.	
(III) Does the Company provide employees with a safe and healthy work environment? Are Employees trained regularly on safety and health issues?	V		(III) The Company has established a dedicated Occupational Safety Department responsible for maintaining a safe and healthy work environment for employees. The department implements workplace monitoring, regularly maintains and disinfects water supply equipment, and has held annual fire drills to ensure workplace safety. In addition, the Company regularly conducts safety and health education and training for all employees annually and organizes employee health examination annually. Safety, health, environmental, and fire safety equipment inspection is conducted monthly. The Company's website features a Corporate Governance section disclosing measures to protect employee safety and their work environment, as well as the implementation status of these protective measures. - Occupational safety and health policy The Company has established its policies in compliance with the Occupational Safety and Health Act and the requirements of customers and relevant parties, and we also respect the occupational safety and health requirements of relevant stakeholders, in order to foster a healthy and happy workplace. The Company prioritizes disaster prevention and avoidance by implementing appropriate management tools, mature technologies and available resources, in order to integrate operational occupational safety and health issues at its operational sites. The Company proposes effective solutions and continues to enhance the promotion of occupational safety culture. Furthermore, the Company strengthens the protection management of operational personnel and invests resources to strengthen occupational disease prevention, aiming to create a zero-accident environment. In addition, the Company has established quantitative indicators to extend occupational safety and health activities to products and relevant services, thereby improving overall occupational safety and health performance and effectively controlling risks. The disabled injury frequency rate in 2025 was 0.49; there were seven occupational accidents involving seven workers (accounting for 0.31% of all workers at the end of 2025). In addition, there were zero fires and zero fatalities. - Employees' working environmental monitoring To protect workers from hazards caused by harmful substances at the workplace and to provide a healthy and comfortable working environment, the Company has conducted workplace environment monitoring twice each year to further understand workers' exposure levels. - Occupational safety inspection	No major difference.

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause																		
	Yes	No	Brief description																			
			The Company has established the annual occupational safety inspection team work plan, with the President serving as chief convener. The occupational safety audit team conducts industrial safety audits and summarizes suggestions for improvement, along with details of specific improvements made, in order to provide such information as reference to all units. Furthermore, the Occupational Safety and Health Committee reviews deficiencies based on these audit suggestions during the quarterly meetings. <table><tr><th colspan="2">Occupational safety audit operations</th></tr><tr><td>Occupational safety audit team</td><td>Inspection conducted once monthly</td></tr><tr><td>Occupational Safety Department’s occupational safety inspection</td><td>Irregular inspections conducted more than twice monthly</td></tr></table> 4. Equipment safety management The Company classifies equipment based on the risk level. Hazardous machinery and equipment are listed and thoroughly inspected in accordance with regulations, in order to ensure safe operation. In 2025, the Company has one unit of hazardous machinery and one unit of hazardous equipment, both of which have undergone regular inspections in accordance with the regulations on safety inspection of hazardous machinery and equipment, in order to ensure their safe operation. 5. The Company’s occupational safety educational training and promotion in the last three years To ensure that employees are familiar with occupational safety and health regulations and the safety and health management mechanism, and to promote employee health care, we have organized annual education and training programs. These programs include occupational safety and health, fire safety, first aid personnel safety and health, hazardous substance management, training for hazardous machinery operators, occupational safety and health hazard identification and environmental hazard assessment, and health seminars. <table><tr><th>Year</th><th>Number of trainees</th><th>Number of people-hour of education and training</th></tr><tr><td>2023</td><td>2,126</td><td>3,655</td></tr><tr><td>2024</td><td>2,803</td><td>5,543</td></tr><tr><td>2025</td><td>3,207</td><td>6,281</td></tr></table> 6. Corporate Certification Status	Occupational safety audit operations		Occupational safety audit team	Inspection conducted once monthly	Occupational Safety Department’s occupational safety inspection	Irregular inspections conducted more than twice monthly	Year	Number of trainees	Number of people-hour of education and training	2023	2,126	3,655	2024	2,803	5,543	2025	3,207	6,281	
Occupational safety audit operations																						
Occupational safety audit team	Inspection conducted once monthly																					
Occupational Safety Department’s occupational safety inspection	Irregular inspections conducted more than twice monthly																					
Year	Number of trainees	Number of people-hour of education and training																				
2023	2,126	3,655																				
2024	2,803	5,543																				
2025	3,207	6,281																				

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			The Company has obtained the ISO 45001 Occupational Safety and Health Management System Certificate, and the valid period is from April 19, 2024 to April 17, 2027.	
(IV) Has the Company established an effective career development training program for its employees?	V		(IV) To enhance employee competitiveness and overall organizational performance, the Company has established the “Education and Training Implementation Regulations” to provide relevant professional education and training for improving employees’ career skills. Systematic training system is designed according to job function and level, including: 1. New employee orientation: The orientation includes corporate culture integration, workplace ethics, and basic operation processes. 2. On-the-job training: Competency training courses are arranged based on department and job responsibilities. 3. Internal instructor system: We cultivate departmental seed instructors to enhance the passing-on of knowledge. 4. Leadership and management courses: Advanced competency development training is designed for managers and reserve cadres. All training emphasizes the “integration of theory and practice”. Through these programs, professional skills are strengthened, and employees are encouraged to continuously challenge themselves to innovate, improve management capabilities, and foster cross-departmental collaboration. The Company emphasizes the philosophy of “right talent for the right position” and identifies employee capabilities and potential through its annual performance appraisal system, which informs optimal placement and development planning. We provide employees with opportunities to gain cross-departmental and cross-functional experience, fostering a learning environment and supporting diverse career development. We also encourage employees to assess their interests, skills, values, and goals, and to discuss their career aspirations with their managers, in order to plan their future career trajectories. Each year, the Company plans comprehensive functional training for employees according to the business operations, strategic direction, and future development goals. We also assist employees in continuous learning and growth through a variety of methods, thereby fostering the development of key skills. In 2025, there were a total 21,010 people participated in the career training for a total training hours of 43,497 hours.	No major difference.
(V) Has the Company complied with laws and international standards with	V		(V) The Company manages and controls the product value chain, from raw materials and logistics to customers, and has also established management mechanisms and continuously tracking product safety information. In addition, an internal whistleblowing mechanism has also been established to ensure our commitment in product safety. The Company has provided product contact information for technical and business inquiries on the Company’s website, and has also implemented product safety and warranty	No major difference.

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
respect to customers' health, safety and privacy, marketing and labeling in all products and services offered, and implemented consumer or customer protection policies and complaint procedures?			policy to protect the rights of customers and consumers. The Company has established a personal data protection management system and policy to manage and protect customer privacy. Customer data is protected through internal personal data audit, external verification, crisis prevention and educational training. All products of the Company comply with international safety standards or international environmental regulations. Products and packaging are marked with relevant information of compliance according to environmental protection regulations specified by the product shipping region. In 2003, the Company has established the customer service management policy. In terms of establishment of strong customer relationships and communication, the Company has consistently strived to establish good collaborative partnerships through regular and occasional meetings, visits, and quarterly and monthly performance reviews or audits. Such approach has yielded consistent and synergistic benefits in aligning short-, medium-, and long-term development goals and social responsibility planning among all parties. To enhance our service to customers, we have established business units at the Taiwan headquarters and regional subsidiaries in the U.S., Europe, and Asia. These units support the planning and execution of environmental management, social responsibility and hazardous substance control while providing timely and sufficient information, in order to meet the needs of downstream customers, end users, and government agencies. The business units also implement activities, surveys, confirmations, audits, and data collection necessary for supporting customers' corporate social responsibility program. To verify customers' satisfaction on the Company's services, we conduct customer satisfaction survey during the third quarter of each year. Customers can share their feedback on the quality and effectiveness of the Company's services through ratings, comments, and comparisons with competitors. The customer satisfaction survey responsible team not only responds to customer feedback and tracks improvement progress within relevant departments, but also identifies underlying issues and compiles a countermeasures report for senior management, in order to provide such information for mid- and long-term operational plan development. In the Company's 2025 customer satisfaction survey, we received a questionnaire response rate above 80%, and the average customer satisfaction score was 92.18, demonstrating customers' high level of satisfaction with the Company. In addition to communicating through the Company's website, we have also established the "Customer Complaint Management Procedure" to protect customer rights and interests and provide a customer complaint channel. Upon receiving any complaint, we immediately begin an investigation, provide a preliminary response within 24 hours, and respond according to customer needs. The QA & QC	

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause									
	Yes	No	Brief description										
			Department is required to reply to the customer with the root cause analysis and corrective action plan within 5 working days. The preliminary analysis report response timeliness rate for customer complaints in 2025 reached 75%. The Company’s customer communication and complaint contact information is as follows: Website for customer communication:https://www.songchuan.com/sc/index.php/contact-us/ Customer complaint hotline: <table><tr><th>Region</th><th>E-mail</th><th>Tel</th></tr><tr><td>Overseas regions</td><td>global@songchuan.com.tw</td><td>+886-2-8684-5332 EXT. 6216</td></tr><tr><td>Taiwan</td><td>domestic@songchuan.com.tw</td><td>+886-2-8684-5332 EXT. 6103</td></tr></table>	Region	E-mail	Tel	Overseas regions	global@songchuan.com.tw	+886-2-8684-5332 EXT. 6216	Taiwan	domestic@songchuan.com.tw	+886-2-8684-5332 EXT. 6103	
Region	E-mail	Tel											
Overseas regions	global@songchuan.com.tw	+886-2-8684-5332 EXT. 6216											
Taiwan	domestic@songchuan.com.tw	+886-2-8684-5332 EXT. 6103											
(VI) Has the Company established supplier management policy, requested suppliers to comply with relevant regulations with regards to the issues of the environmental protection, occupational safety and health or labor rights, and the implementation status thereof?	V		(VI) The Company has established the Supplier Social Responsibility Management Procedure based on the RBA, applicable laws and regulations as well as customer requirements. We also utilize various channels to communicate social responsibility policies and regulations to suppliers and conduct social responsibility compliance audits on new and key suppliers, in order to evaluate suppliers based on the aspects of occupational safety and health, labor practices, human rights, ethics, and environmental performance, thereby ensuring that all suppliers meet the required social responsibility standards. Compliance review on cyber security or privacy protection will be further included in 2026. The Company has established the “Supplier Management Regulations”, “New Supplier Evaluation Management Regulations” and “Supplier Management and Evaluation Regulations” as the guiding principles for supplier management. Supplier evaluation is classified into annual evaluation and new supplier evaluation. The evaluation items covered quality management system (ISO 9001, IATF 16949), environmental management system (ISO 14001), and CSR social responsibility (RBA). In 2024, there were 15 supplier annual evaluations conducted, with a qualification rate of 98%. In 2025, 5 supplier annual evaluations were conducted, and the qualification rate was 100%. New supplier evaluation is implemented to conduct initial supplier qualification review and evaluation. Suppliers of raw materials, parts, and packaging materials used directly in the Company’s products must be equipped with business registration and ISO 9001 certification. To satisfy the qualification of a qualified supplier, one must sign the documents of Supplier Social Responsibility Commitment Letter, Responsible Mineral Sourcing Declaration, Supplier Social Responsibility Management General Assessment Form, Supplier Anti-Corruption Commitment Letter, Conflict Minerals Reporting Template (CMRT), and Extended Minerals Reporting Template (EMRT). 95% of qualified suppliers have signed the aforementioned documents. The Company actively supports the environmental sustainability philosophy. The R&D Department regularly conducts a non-toxicization investigation on raw materials used by selected suppliers in	No major difference.									

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
			accordance with the REACH EU chemicals regulation and the RoHS restricted substances list, in order to ensure that raw materials, components, and auxiliary materials purchased comply with EU environmental regulations and customers' non-toxicity requirements. Furthermore, the Company also actively promotes local sourcing to reduce the carbon footprint generated by transportation. The localization procurement achievement rate was approximately 59% in 2024 and reached approximately 80% in 2025. The Company continues to work with suppliers to jointly promote green and eco-friendly procurement. The ESG Sustainable Development section on the Company's website discloses our supplier management policy and implementation status thereof.	
V. Has the Company referenced the international report preparation standards or guidelines on the preparation of sustainability reports and other reports that disclose the Company's non-financial information? Have the foregoing reports obtained confirmatory or assurance opinions from a third-party certification unit?		V	The Company has prepared its "2024 Sustainability Report" in accordance with the universal standards, sector standards, and topic-specific standards published by the Global Reporting Initiative (GRI). The report discloses the material topics and impacts related to economy, environment and people (including human rights) identified by the Company, as well as the disclosure items and their reporting requirements. The report also references the standards of the Sustainability Accounting Standards Board (SASB) and includes a SASB metrics content index. The Company's 2024 Sustainability Report includes the GRI standards content index. However, third-party assurance or attestation for the Sustainability Report has not yet been obtained. The Company plans to obtain third-party assurance or attestation for the Sustainability Report according to the development needs and legal requirements. The Sustainability Reports for the past years are available on the Company's website. https://www.songchuan.com/sc/index.php/esgd/	It will be handled according to the Company's development needs, laws, and regulations in the future.
VI. If the Company has established its own sustainability development principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" please describe its current practices and any discrepancies from the Best Practice Principles: In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and taking into account the Company's actual operations, the Company's Board of Director approved the "Sustainable Development Best Practice Principles" in May 2024. Subsequently, the Board of Directors approved amendments to these principles in November 2025. The Company manages economic, environmental and social risks and impacts in accordance with these principles, which are also gradually implemented. The Company's planning and operation show no significant difference from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".				
VII. Other important information to facilitate the understanding of the execution status of promotion of sustainable development: (I) Environmental protection				

Promotion item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and cause
	Yes	No	Brief description	
The Company complies with environmental protection laws and regulations. In terms of environmental protection, the Company consistently complies with all relevant environmental regulations and contracts with legal waste disposal service provider for regular waste disposal. Internally, the Company classifies waste and recycles resources in accordance with environmental protection laws and regulations, and also promotes digital documents and double-sided printing of papers instead of single-sided printing. Furthermore, we encourage conservation policies for water, electricity and papers, in order to minimize our impact on environmental pollution and resource consumption. (II) Social participation and public welfare Driven by the commitment to social responsibility, the Company develops and sells products designed to meet customer demands, while prioritizing environmentally sound production practices at the same time. We are dedicated to sound business operations and to sharing our success with stakeholders through dividends to shareholders and employee bonuses. Our goal is to create mutually beneficial outcomes for shareholders, employees, customers and suppliers. The Company actively participates in various social welfare activities, supports the community through donations, material aid and educational partnerships, in order to promote social well-being and to achieve harmonious development. In the future, we will increase our investment in social welfare activities, expand the scope of cooperation, help more people in need, cultivate industry talent, and promote the continuous development of the industry, in order to drive the growth of the whole society. (III) Implementation status of employee rights and employee care Please refer to section “V. Labor-Management Relations” under Four. Operation Overview” in the annual report. (IV) Human rights To protect the fundamental human rights of employees, the Company has implemented internal promotion and established relevant measures to ensure fair and humane treatment and respect for all employees. These measures include “written statement prohibiting workplace violence” signed by the management, and the establishment of “Work Rules”, “Guidelines for Workplace Sexual Harassment Prevention Measures, Complaints and Disciplinary Action”, and “Regulations for Preventing Illegal Infringement at Work”. The Company also convenes regular labor-management meetings and has established complaint filing channels to protect employees’ rights and interests. In addition, the Company has never employed child labor. (V) Balance between work and living The Company implements a parental leave without pay system in accordance with the law and provides family care leave, paternity check-up and paternity leave, menstrual leave, and breastfeeding rooms. We encourage employees to take leave and offer on-site medical examination and regular health examination. Additionally, the Company has set up a gym and relaxation space to encourage employees to exercise and relax after work.				

Climate-related Information of TWSE/TPEX Listed Companies

1. Implementation of climate-related information

Item	Implementation Status
1. Describe the supervision and governance of the Board of Directors and management on climate-related risks and opportunities.	1. The Board of Directors is the highest governing body for climate change management, responsible for supervising the sustainability management strategy, key policies, risk management, and annual performance results. The Sustainable Development Committee is the primary decision-making and implementation body for the Company's sustainable development initiatives. The Committee's membership includes the Chairman, President, senior executives of relevant departments, and other members designated by the Chairman. The President serves as the chairperson of the Committee, and an Executive Secretary is appointed to manage the Committee's operations. Four functional teams have been established to address issues important to different stakeholders and to collaborate with relevant company departments in promoting planned tasks, including the planning, implementation, and execution of related business activities. The Sustainable Development Committee convenes meeting at least once annually to review the Company's climate change strategic objectives, actions for managing climate change risks and opportunities, as well as implementation status and future plans. The Committee reports the operation status to the Board of Directors annually.
2. Describe how the identified climate risks and opportunities affect the Company's businesses, strategies and finance (short-term, mid-term and long-term).	2. Short-term impact: In response to government regulations and carbon tax policy, re-assessment of supplier and product qualifications is necessary. Failure to meet stakeholders' requirements can affect the existing sales performance. Mid-term and long-term impacts: As customers comply with regulations and seek low-carbon products, early deployment can increase their reliance on the Company while securing the Company's position in the growing sustainability market. Operating costs: To comply with sustainability labels or specifications from suppliers and customers, we have increased the expenditure on appropriate products and have improved workflows to meet stakeholder requirements.
3. Describe the impacts of extreme weather and transformation actions on the financial position.	3. Damage to factory areas caused by extreme weather events of earthquakes, floods and windstorms can result in significant repair costs and property damage, which can also subsequently affect employee commutes, resulting in a decline in revenue. To effectively respond to transition actions, corresponding resources must be invested along with the enhancement of employee sustainability awareness training, in order to reduce the impact of extreme weather events on operations.
4. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	4. The Company incorporates the concept of climate risk into the operations and business activities. In addition, the Company conducts identification of potential climate risks/opportunities, analyzes the impact of these

Item	Implementation Status
5. If the scenario analysis is used to assess the resilience against the climate change risks, then the scenarios, parameters, assumptions, analysis factors and major financial impacts shall be stated. 6. If transition plan for managing climate-related risk is available, the plan content shall be explained, and the indicators and goals for identifying and managing physical risks and transition risk shall be described. 7. If the internal carbon pricing is used as the planning tool, it is necessary to explain the price setting basis. 8. If climate-related goal has been set up, it is necessary to describe the information of activity covered, greenhouse gas emissions scope, plan schedule, annual achievement progress, etc. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant goals, it is necessary to explain the carbon reduction source and quantity for the offset or the quantity of renewable energy certificates (RECs). 9. GHG inventory inspection and assurance status, and reduction goal, strategy and specific action plan (please provide information in Sections 1-1 and 1-2).	risks and opportunities, determines and evaluates appropriate countermeasures, and performs centralized management and hierarchical execution based on the characteristics and impact levels of the identified risks and opportunities, in order to effectively control risks and to seize opportunities. 5. The Company has not yet selected a primary theme nor has it scenario analysis and management practices to assess the major financial impacts of climate change risks. 6. The Company has not yet developed a transition plan to manage climate-related risks. 7. The Company has not yet defined a carbon pricing mechanism internally. 8. The Company has conducted GHG inventory since 2023. The short-term goal is a 10% reduction in carbon emissions by 2026 compared to 2025. The mid-term goal is a 20% reduction in carbon emissions by 2028 compared to 2025. The long-term goal is a 30% reduction in carbon emissions by 2030 compared to 2025, and to promote net-zero emissions. The 2025 GHG inventory scope includes the Company and its consolidated subsidiaries, Song Chuan (Xiamen) Precision Electron Co., Ltd. and Shanghai Song Chuan Precision Electron Co., Ltd. The inventory results are currently being verified by the assurance body. The Group plans to gradually include additional subsidiaries in the inventory scope according to the laws and regulations as well as the established schedule. 9. Please refer to Section 1-1 and 1-2 on pages 58~61 of this annual report for the GHG inventory and assurance status, as well as reduction targets, strategies, and specific action plans.

1-1 GHG Inventory and Assurance Status in the Last 2 Years

1-1-1 Information on GHG Inventory

Describe the greenhouse gas emissions in the last two years (tonnes CO ₂ e), intensity (tonnes CO ₂ e/NT\$ million), and data coverage.
According to the roadmap for TWSE/TPEX-listed companies' sustainable development, the Company is required to conduct inventory in 2026, and consolidated financial statement subsidiaries shall start to conduct inventory in 2027. The Company has established a GHG inventory mechanism in accordance with the ISO 14064-1 GHG inventory standard published by the International Organization for Standardization (ISO). Since 2023, the Company has conducted annual GHG emission inventory for the parent company only and consolidated financial statements, as well as for some of the subsidiaries, in order to monitor GHG usage and emissions status. In addition, the GHG inventory data for fiscal years 2024 and 2025 were based on the operational control approach and include the GHG emissions of the Company and some subsidiaries included in the consolidated financial statements, as explained in the following:

Unit: Emissions in metric tons CO2e; Intensity in metric tons CO2e/NT\$ millions of revenue.					
Inventory scope	Category (Note 1)	2024 (Note 2)		2025 (Note 3)	
		Emissions	Intensity	Emissions	Intensity
The Company	Category 1 (Scope 1)	471.1814		484.3036	
	Category 2 (Scope 2)	6,804.3074		6,759.1001	
	Subtotal	7,275.4888		7,243.4037	
Subsidiaries in the consolidated financial statements	Category 1 (Scope 1)	382.4506		301.8869	
	Category 2 (Scope 2)	10,547.7036		11,305.4076	
	Subtotal	10,930.1542		11,607.2945	
Total	Category 1 (Scope 1)	853.6321	0.1323	786.1905	0.0959
	Category 2 (Scope 2)	17,352.0110	2.6899	18,064.5077	2.2036
	Subtotal	18,205.6431	2.8222	18,850.6982	2.2995
The Company	Category 3~6 (Scope 3)	25,110.7933		25,499.7849	
Subsidiaries in the consolidated financial statements	Category 3~6 (Scope 3)	12,175.0676		12,966.6044	
Total		37,285.8610	5.7800	38,466.3893	4.6923
Total		55,491.5041	8.6022	57,317.0875	6.9919

Note 1: Category 1 (Scope 1) refers to direct GH emissions, Category 2 (Scope 2) refers to energy indirect GHG emissions, and Category 3~6 (Scope 3) refers to indirect GHG emissions.

Note 2: The 2024 inventory scope included the Company and the subsidiary, Song Chuan (Xiamen) Precision Electron Co., Ltd.

Note 3: The 2025 inventory scope included the company, the subsidiary Song Chuan (Xiamen) Precision Electron Co., Ltd., and the subsidiary Shanghai Song Chuan Precision Electron Co., Ltd. The 2025 inventory result refers to the data of 2025 and is currently under the verification by the assurance institution.

1-1-2 Information on GHG Assurance

Describe the assurance status in the last two years up to the date of publication of the annual report, including the scope of assurance, the assurance institution, the assurance standards and the assurance opinions.		
According to the roadmap for TWSE/TPEX-listed companies' sustainable development, the Company is required to perform assurance in 2028, and consolidated financial statement subsidiaries shall start to perform assurance in 2029.		
Assurance status of the Company's for 2024~2025:		
Unit: Emissions in metric tons CO2e		
Year	2024	2025
Scope of assurance	Parent company Song Chuan Precision Co., Ltd. Subsidiaries included in consolidated financial statements: Song Chuan (Xiamen) Precision Electron Co., Ltd.	Parent company Song Chuan Precision Co., Ltd. Subsidiaries included in consolidated financial statements: Song Chuan (Xiamen) Precision Electron Co., Ltd.; Shanghai Song Chuan Precision Electron Co., Ltd.
Assurance institution	AFNOR (AFNOR Asia Ltd.)	AFNOR (AFNOR Asia Ltd.)
Assurance standards	ISO 14064-3 : 2019	ISO 14064-3 : 2019
Assurance Criteria	ISO 14064-1 : 2018	ISO 14064-1 : 2018

The Company	Category 1 (Scope 1)	471.1814	The 2025 inventory result is currently under the verification by the assurance institution. Complete assurance information will be disclosed on the Company's website and the Sustainability Report.
	Category 2 (Scope 2)	6,804.3074	
	Subtotal	7,275.4888	
Subsidiaries in the consolidated financial statements	Category 1 (Scope 1)	382.4506	
	Category 2 (Scope 2)	10,547.7036	
	Subtotal	10,930.1542	
Total	Category 1 (Scope 1)	853.6321	
	Category 2 (Scope 2)	17,352.0110	
	Subtotal	18,205.6431	
The Company	Category 3~6 (Scope 3)	25,110.7933	
Subsidiaries in the consolidated financial statements	Category 3~6 (Scope 3)	12,175.0676	
Total	Category 3~6 (Scope 3)	37,285.8610	
Total		55,491.5041	
As a percentage of the disclosure data of 1-1-1 above		100%	
Assurance status explanation		The reasonable assurance level for the inventory data refers to Category 1 and Category 2; limited assurance refers to Category 3 to Category 6. Online verification is adopted for overseas sites (Xiamen plant, Mexico plant), and limited assurance is provided for Categories 1 to 6.	
Assurance opinion		Unqualified opinion	

1-2 GHG reduction goal, strategy and specific action plan

Describe the GHG reduction base year and the data, reduction goal, strategy, and actual action plan and reduction goal achievement status.			
1. GHG emission reduction base year and targets The Company has not yet completed the inventory based on the boundary of the consolidated financial statements; therefore, base year has not yet been specified. However, the Company has set the GHG reduction goals for 2025 as follows:			
Aspect	2026 Short-term goal	2028 Long-term goal	2030 Long-term goal
Environment E	Carbon emissions reduced by 10% compared to 2025.	Carbon emissions reduced by 20% compared to 2025.	Reduce carbon emissions reduced by 30% compared to 2025 and promote the Net Zero progress.
2. GHG reduction strategies and specific action plans The Company has gradually implemented various energy-saving and environmental protection measures in response to the net zero carbon emissions policy and has set a long-term carbon reduction goal for net zero carbon emissions by 2050. Current implementation practices include: (1) Maintain ISO 14001 environmental management system certification through continuous			

audits and educational training.

- (2) Expand the scope of ISO 14064-1 GHG inventory to include more entities (e.g. overseas companies), in order to accurately track the Group's total GHG emissions.
- (3) Install solar power generation system capable of not only generating electricity but also providing shade and heat insulation, lowering indoor temperatures and reducing air conditioning energy consumption.
- (4) Purchase energy-saving equipment, replace air-cooled chillers, and phase out inefficient electrical equipment, in order to reduce power consumption.
- (5) Electricity meters are additionally installed for the air-conditioning and air compressor systems to accurately monitor energy consumption, in order to identify opportunities for energy savings, and reduce energy consumption.
- (6) Improve process technology to reduce equipment power consumption.
- (7) Replace fluorescent lamps with energy-efficient LEDs in offices, in order to reduce lighting electricity consumption.
- (8) Continue to install water-saving equipment to improve water consumption efficiency and resource utilization rate.
- (9) Implement daily energy-saving practices of turning off lights when leaving a room, managing air conditioning temperatures, recycling, sorting waste, and using public transportation; in addition, strengthen employee environmental awareness through internal communication.

In the future, the Company will continue to conduct reviews on carbon reduction initiatives based on the inventory results and policy trends, in order to realize our sustainable development commitment.

3. Environmental aspect execution status:

In 2024, total GHG emissions were 55,491.5041 metric tons CO₂e, which increased to 57,317.0875 metric tons CO₂e in 2025, indicating an increase of 3.29% in total GHG emissions. Such increase was mainly due to a rise in the weight and number of shipments for raw material purchases. The Company continues to conduct GHG inventory operations for all subsidiaries within the financial statements, in order to track total GHG emissions.

(VI) Ethical Corporate Management Best Practice Principles, and Discrepancies from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Assessment item	Implementation status			Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Brief description	
I. Establishment of ethical corporate management policies and methods (I) Has the Company established an ethical corporate management policy approved by the Board of Directors and stated in its regulation or external correspondence about the ethical management policies and practices, as well as the commitment of the Board of Directors and senior management to actively implement the operating policies?	V		(I) The Company has established relevant rules and regulations of the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", and the "Codes of Ethical Conduct for Directors and Managerial Officers", which have been approved by the Board of Directors on May 13, 2024. Based on a business philosophy of integrity, transparency, and responsibility, the Company has formulated an integrity management policy to prohibit dishonest behavior by directors, managers, and employees. All employees must conduct the Company's business with honesty and fairness and in compliance with government laws and regulations. The Board of Directors and senior management have fully understood and have duly complied the requirements. The Company has disclosed "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", and the "Codes of Ethical Conduct for Directors and Managerial Officers" in the Corporate Governance Section of the Investor Relations section on the Company's website. The directors and senior management shall issue a statement of compliance with the integrity management policy, stating their willingness to comply with the Company's "Ethical Corporate Management Best Practice Principles", including the integrity management policy, integrity management guidelines, Procedures for Ethical Management and Guidelines for Conduct, listing-related regulations, and other integrity management-related laws and regulations. They undertake to engage in business activities on the principles of fairness, honesty, trustworthiness, integrity, and transparency, and shall not directly or indirectly provide, promise, request, or receive any improper benefits during the performance of their duties, or engage in any unethical conduct violating the principle of good faith, involving illegal conducts, or breaching fiduciary obligations. In 2025, one new managerial officer has completed the signing of the "Statement of Compliance with Ethical Management Policy" with 100% completion rate.	No major difference.
(II) Has the Company established assessment mechanism for unethical conduct risk, performed periodic	V		(II) The Company has established the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct" and the "Codes of Ethical Conduct for Directors and Managerial Officers". The content of these documents covers preventive measures	No major difference.

Assessment item	Implementation status			Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
analysis and assessed operating activities of relatively higher unethical conduct risk in the scope of business, and has established unethical conduct solution accordingly, and at least covering the preventive measures for the conducts described in each subparagraph of Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?			for the behaviors outlined in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice for TWSE/TPEx listed Companies", and these measures have been announced to all employees. The President's office is requested to regularly analyze and evaluate business activities within the scope of business that have a higher integrity risk, and prevent these activities through the internal audit unit's audit mechanism and the Company's complaint mechanism.	
(III) Has the Company expressly formulated the operating procedure, behavior guideline, as well as disciplinary penalty and grievance system plans, and implemented them accordingly to prevent dishonest behavior and reviewed and revised them on a regular basis?	V		(III) To implement the Company's Ethical Corporate Management Best Practice Principles, we have established an effective accounting system and internal control system. We have also formulated the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct" and the "Codes of Ethical Conduct for Directors and Managerial Officers" to clearly regulate the conduct of directors, managers, or employees. In cases of violation of the code of ethical conduct, we also handle such instances in accordance with the disciplinary measures stipulated in the "Codes of Ethical Conduct for Directors and Managerial Officers." These regulations are reviewed and amended from time to time as needed, in order to ensure the continuous effectiveness of system design and implementation.	No major difference.
II. Implementation of ethical corporate management (I) Has the Company assessed the integrity records of counterparties and specified the terms of integrity in the contracts signed with counterparties?	V		(I) Prior to engaging in business transactions, the Company assesses the legality of counterparties to avoid dealing with those with records of unethical conduct. According relevant regulations, if any counterparty of any business relationship or partnership is found to be unethical, the relationship should immediately be terminated, and list them as denied counterparties, to implement the Company's ethical management policy.	No major difference.

Assessment item	Implementation status			Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
(II) Has the Company established a dedicated (adjunct) unit for promoting the corporate ethical management under the board of directors and reporting its ethical management policy and plan for preventing unethical conducts as well as the supervision of implementation status to the board of directors periodically (at least once annually)?	V		(II) The President's Office is the designated unit responsible for promoting ethical corporate management, and supervising the amendment, implementation, interpretation and consultation services related to the "Procedures for Ethical Management and Guidelines for Conduct" as well as the recordation and management of reported content and the supervision of its implementation. The main duties are as follows: 1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Planning of internal organization, staffing and job duties, establish mutual supervision and balance mechanisms for operating activities of relatively higher unethical conduct risk in the scope of business. 4. Promoting and coordinating integrity policy education and training. 5. Planning of whistleblowing system to ensure its effective implementation. 6. Assisting the Board of Directors and management level in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and periodically preparing reports on the assessment of compliance with ethical management in operating procedures. 7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc. The President's office reports the implementation status to the Board of Directors annually.. The Company's implementation of ethical corporate management for 2025 was reported to the Board of Directors on December 22, 2025. The Company implements the ethical management policy, and relevant implementation in 2025 is as follows: 1. Board members must recuse themselves from conflict of interest matters during Board meetings as required by law, to avoid violating the principle of ethical management. There were 7 cases of directors' recusal due to conflict of interest in 2025.	No major difference.

Assessment item	Implementation status			Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
			2. Directors and senior management have issued the statement for compliance with ethical management policy. In 2025, one new managerial officer has completed the signing of the "Statement of Compliance with Ethical Management Policy" with 100% completion rate. 3. Each year, the Company purchases liability insurance for directors and key employees and reports the coverage details to the Board of Directors. The insurance coverage amounted to US\$1 million in 2025 and was reported to the Board of Directors on November 13, 2025. 4. Each year, the Board of Directors and management review meetings, publish emails and organize educational trainings to promote the Ethical Corporate Management Best Practice Principles to directors, managerial officers and employees. In 2025, ethical management education and promotion was provided to all employees, with a total of 898 participants for a total training hours of 299 hours. 5. New suppliers are required to sign the "Supplier Social Responsibility Commitment Letter" and the "Supplier Anti-corruption Convention Commitment Letter", in order to ensure the full implementation of ethical management practices. Two new suppliers completed their contracts signing in 2025 with 100% completion rate. 6. The Company has established the "Measures for the Report on Illegal, Unethical and Dishonest Acts" and has set up reporting channels for internal and external personnel to report any improper business conduct. No reports of illegal, immoral, or unethical conduct were received in 2025. 7. In 2025, the Corporate Governance section of the Investor Relations section on the Company's website disclosed the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct" and the specific implementation status of ethical management.	
(III) Has the Company determined a policy for prevention of conflicts of interest, and does it provide appropriate channels for complaints? What is the state of implementation?	V		(III) The Company has established the "Measures for the Report on Illegal, Unethical and Dishonest Acts" to allow internal and external personnel to report conflicts of interest through channels of whistleblowing mailbox, personnel suggestion box, whistleblowing hotline and letters. The receiving unit completes investigations and reports relevant findings to the senior management.	No major difference.
(IV) Has the company implemented effective accounting system and internal control system for the purpose of maintaining ethical operation? Has the audit unit	V		(IV) The Company has established effective accounting systems and internal control systems, which are reviewed and revised periodically. Full-time internal auditors have been established to regularly audit these systems and to provide recommendations for improvement, thereby ensuring their design and implementation remain effective. The implementation of internal audit operations is reported to the Audit Committee and the Board of Directors.	No major difference.

Assessment item	Implementation status			Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
established relevant internal audit plan according to the assessment result of unethical conduct risk and audit the status of compliance with the prevention against unethical conduct plan, or entrust CPA to perform audit?				
(V) Has the Company provided internal and external training on ethical operation on a regular basis?	V		(V) Each year, through Board of Directors and management review meetings, distribution of emails and organization of educational trainings, the Company promotes the Ethical Corporate Management Best Practice Principles to directors, managerial officers and employees. In 2025, internal education and training on ethical management were conducted for all employees. The course topics included ethical management, prevention of insider trading, and education and promotion of regulations related to the handling of material inside information. A total of 898 people completed the training for a total training hours of 299 hours.	No major difference.
III. Company's whistleblowing system operation status				
(I) Has the Company established a substantive whistleblowing and reward and punishment system and convenient channels for reporting, and appointed designated personnel for handling the targets of reports?	V		(I) The Company has established the "Measures for the Report on Illegal, Unethical and Dishonest Acts" to allow internal and external personnel to report conflicts of interest through channels of whistleblowing mailbox, personnel suggestion box, whistleblowing hotline and letters. The receiving unit completes investigations and reports relevant findings to the senior management. Disciplinary rules have been clearly stated in the Company relevant regulations and Work Rules.	No major difference.
(II) Has the Company established any investigation standard operation procedures for accepting reported misconducts, subsequent measures and relevant confidentiality measures required to be performed after the completion of the investigation?	V		(II) The Company has established the "Measures for the Report on Illegal, Unethical and Dishonest Acts" to accept reports and investigate complaints with relevant confidentiality mechanisms. All relevant documents and information are considered confidential, and all personnel involved in handling such cases have a duty to maintain complete confidentiality of the process.	No major difference.
(III) Has the Company taken any measures for the protection of the informants or reporters from	V		(III) The Company maintains the confidentiality of whistleblowers and has not punished anyone due to the whistleblowing action.	No major difference.

Assessment item	Implementation status			Discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Brief description	
suffering undue treatment?				
IV. Enhancement of information disclosure Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	V		The Company has disclosed the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" on its website and the MOPS, and has disclosed the specific implementation status of integrity management and the specific implementation status of insider trading prevention in the Corporate Governance Section of the Company's website.	No major difference.
V. If the Company has formulated its own Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, please specify the difference between its operation and the principles: The Company has formulated the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct for Directors and Managerial Officers", and has complied with relevant laws and regulations for matters requiring attention of the Company's personnel during the performance of job duties. The Company's planning and operation have not differed significantly from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies".				
VI. Other important information that is helpful in understanding the corporate ethical management operation of the Company? (Such as, the Company has the corporate Ethical Corporate Management Best Practice Principles amended, etc.): In addition to the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct for Directors and Managerial Officers", the Company has stipulated other internal regulations (e.g., "Procedures for Handling Material Inside Information and Submitting Information on the Appointment or Dismissal of Insiders", "Procedures for the Prevention and Management of Insider Trading," and "Measures for the Report on Illegal, Unethical and Dishonest Acts"). The Company also arranges directors and managerial officers to participate in corporate governance courses, and regularly communicates the integrity management policy to employees annually. The policy is disclosed in the Corporate Governance section of the Company's website (http://www.songchuan.com.tw).				

(VII) Other important information to facilitate the understanding of corporate governance implementation status of the Company:

1. The status of continuing education related corporate governance participated by the Company's directors for the most recent year and up to the printing date of the annual report

Title	Name	Date of training	Organizer	Course name	Training hours
Corporate Director Representative	Chuan-Shih Wang	2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
		2025/12/18	Taiwan Investor Relations Institute	Articulating sustainable value: ESG storytelling and elderly economy strategies	3 hours
Director	Sung-Jen Wu	2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
		2025/12/5	Taiwan Investor Relations Institute	2026 cyber security challenges and governance strategies from the perspective of AI wave	3 hours
		2026/4/28	Taiwan Artificial Intelligence Academy Foundation	2026 AI Lecture Series for Directors and Supervisors	6 hours
Director	Te-Shao Liu	2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
		2025/12/5	Taiwan Investor Relations Institute	2026 cyber security challenges and governance strategies from the perspective of AI wave	3 hours
Director	Hui-Min Cheng	2025/8/22	Chinese National Association of Industry and Commerce, Taiwan	Seminar for Corporate Directors and Supervisors - 2025 Taishin Shin Kong Net Zero Summit	3 hours
		2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
		2026/4/17	Securities and Futures Institute	2026 explanation session on compliance with insiders' equity trading laws	3 hours
		2026/4/28	Taiwan Artificial Intelligence Academy Foundation	2026 AI Lecture Series for Directors and Supervisors	6 hours
Director	Yung-Kuei Yu	2025/8/13	Taiwan Corporate Governance Association	Regulations, restrictions and risk analysis of insider equity trading	3 hours
		2025/11/12	Taiwan Corporate Governance Association	Digital Financial Revolution: The Principles of Stablecoin and the Development Trend of Blockchain Virtual Assets	3 hours

Title	Name	Date of training	Organizer	Course name	Training hours
Independent Director	Chwo-Ming Yu	2025/4/25	Taiwan Corporate Governance Association	Insider Trading from Judicial Investigation Perspective	3 hours
		2025/5/13	Taiwan Institute of Directors	Global Corporate Management Strategy	3 hours
		2025/8/12	Taiwan Institute of Directors	AI-driven industrial digital and intelligent transformation and commercial innovation applications	3 hours
Independent Director	Yih-Yuh Lee	2025/8/8	Taiwan Corporate Governance Association	Corporate governance, securities laws and regulations, and material information disclosure	3 hours
		2025/11/12	Taipei Foundation of Finance	Corporate Governance – Key to Top Sales Performance	3 hours
Independent Director	Chia-Chi Lu	2025/7/9	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
		2025/7/25	Securities and Futures Institute	2025 explanation session on compliance with insiders' equity trading laws	3 hours
		2025/8/14	Taiwan Investor Relations Institute	Corporate sustainability and risk management	3 hours
		2025/8/22	Chinese National Associations of Industry and Commerce, Taiwan	Seminar for Corporate Directors and Supervisors - 2025 Taishin Shin Kong Net Zero Summit	3 hours
		2026/4/17	Securities and Futures Institute	2026 explanation session on compliance with insiders' equity trading laws	3 hours
Independent Director	Min-Hung Tsay	2025/10/16	Financial Supervisory Commission	15th Term of Taipei Corporate Governance Forum	6 hours
		2026/4/17	Securities and Futures Institute	2026 explanation session on compliance with insiders' equity trading laws	3 hours
		2026/4/28	Taiwan Artificial Intelligence Academy Foundation	2026 AI Lecture Series for Directors and Supervisors	6 hours

2. The status of continuing education related corporate governance participated by the Company's managerial officers (including Presidents, Vice Presidents, Accounting, Finance, Audit Officers) for the most recent year and up to the printing date of the annual report

Title	Name	Date of training	Organizer	Course name	Training hours
Chairman and Chief Strategy Officer	Chuan-Shih Wang	2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
		2025/12/18	Taiwan Investor Relations Institute	Articulating sustainable value: ESG storytelling and elderly economy strategies	3 hours
President	Sung-Jen Wu	2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
		2025/12/5	Taiwan Investor Relations Institute	2026 cyber security challenges and governance strategies from the perspective of AI wave	3 hours
		2026/4/28	Taiwan Artificial Intelligence Academy Foundation	2026 AI Lecture Series for Directors and Supervisors	6 hours
Vice President	Te-Shao Liu	2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
		2025/12/5	Taiwan Investor Relations Institute	2026 cyber security challenges and governance strategies from the perspective of AI wave	3 hours
Vice President	Ruey-Her Chen	2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
Financial and Accounting Officer	Hsiang-An Wang	2025/3/12-3/21	Accounting Research and Development Foundation	Initial Continuing Education for Securities Issuers, Securities Firms, and TWSE Chief Accounting Officer	30 hours
		2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
Corporate Governance Officer	Li-Fang Chung	2025/7/29	Taipei Exchange	2025 Insider Equity Information Seminar for Emerging Market and TPEX Companies	3 hours
		2025/8/26-8/27	Securities and Futures Institute	Practice seminar for directors (including independent directors), supervisors and corporate governance officers - Taipei session	12 hours
		2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours
Audit Officer	Shu-Wen Yeh	2025/3/17	The Institute of Internal Auditors-Chinese Taiwan	Production Cycles and Audit Focuses	6 hours
		2025/11/13	Taiwan Investor Relations Institute	Corporate public relations and crisis communication	3 hours

Title	Name	Date of training	Organizer	Course name	Training hours
		2025/11/14	The Institute of Internal Auditors-Chinese Taiwan	Seminar on the practical focus of "Sustainable Information Management" and internal control and internal audit	6 hours

Note 1: On January 1, 2026, President Chuan-Shih Wang was released from duty and concurrently acted as the Chief Strategy Officer, and Executive Vice President Sung-Jen Wu was promoted to President.

3. Intellectual property management plan and implementation status:

Amid the rapid advancement of emerging technologies and high-tech industries, a robust management mechanism is essential to strengthen the protection of intellectual property rights for both the company and its clients. In addition to managing and safeguarding our own intellectual property, the company also actively implements measures to prevent the infringement of others' intellectual property rights. These efforts aim to achieve transparent and effective corporate governance while minimizing the likelihood of violations or disputes. To prudently manage intellectual property risks, we have established an intellectual property management plan that aligns with our operational objectives, building on our existing management foundation. The following outlines the Company's intellectual property management and their implementation status:

(1) Patent Management

The Company's intellectual property management framework is established in accordance with its internal control system, overseeing the acquisition, maintenance, and utilization of intellectual property rights throughout the research and development (R&D) cycle. We actively encourage employees to engage in innovative R&D activities and to formalize their inventive achievements into legally recognized rights, thereby strengthening the quality and value of our Company's patent portfolio.

During the R&D process, comprehensive searches on relevant technologies are conducted to assess potential infringement risks. Additionally, we engage reputable external patent firms irregularly to assist in strategic patent planning and application layout. Throughout the patent application process, we exercise rigorous control to secure the most appropriate and effective patent rights. For granted patents, we maintain systematic registration and conduct regular audits to evaluate the benefits of continued maintenance. In compliance with the regulations of various national patent offices, we undertake the necessary procedures to

ensure the ongoing validity of patents and make timely payment of required fees.

In terms of intellectual property education and training, the Company irregularly arranges internal training sessions on intellectual property topics and invites external experts to deliver specialized lectures on patent-related issues. These initiatives are designed to enhance employees' understanding and awareness of intellectual property rights, fostering a culture of innovation while minimizing potential infringement risks.

(2) Trademark Management

The Company undertakes trademark registration in the primary markets where its products are sold to ensure that the use and rights of its registered trademarks are protected from infringement. Currently, our Company holds registered trademarks in Taiwan (ROC), the United States, China, Japan, the European Union, South Korea, and the United Kingdom, and conducts regular maintenance to safeguard these rights.

All departments using our Company's trademarks are required to strictly adhere to the designs specified on the trademark registration certificates. Unauthorized alterations to trademark designs are strictly prohibited to maintain the integrity and exclusivity of the Company's trademark rights.

(3) Use and Management of Computer Software

The Company places great importance on the lawful use of computer software within its operations. To prevent intellectual property rights infringement resulting from improper software usage, our Company has established comprehensive regulations governing the use and management of computer software. These measures are designed to ensure compliance with applicable intellectual property laws and to protect our Company's interests.

(4) Trade Secret Management

The protection of trade secrets is crucial for maintaining the Company's competitive advantages, including technological leadership and customer trust. To safeguard the Company's security and interests, we continuously strengthen and refine our trade secret protection mechanisms to prevent potential harm resulting from unauthorized disclosure.

The Company's management of trade secrets is divided into internal and external measures, as outlined below:

A. Internal Management

- All new employees of the Company are required to sign an “Employment Agreement,” which includes confidentiality clauses. They are also prohibited from disclosing or using trade secrets from previous employers. Intellectual property rights arising from employees’ duties are clearly defined in the agreement.
- The Company’s employees must adhere to the “Work Rules” and exercise the duty of care expected of a prudent manager to protect and maintain the confidentiality of trade secrets.
- Employees involved in projects or tasks that involve specific trade secrets or confidential projects may be required to sign additional non-disclosure agreements (NDA) to reinforce confidentiality obligations.
- When employees leave the Company, they must properly complete the handover process, ensuring the secure transfer and preservation of confidential information. Their confidentiality obligations extend beyond their employment period, prohibiting the disclosure or misuse of the Company’s trade secrets. Any violation will result in legal and compensatory liability.
- The responsible departments irregularly review and update the supporting measures for trade secret protection to ensure their effectiveness and compliance.

B. External Management

- The Company enters into confidentiality agreements with clients, suppliers, contractors, and other service providers to ensure that both parties adhere to their respective confidentiality obligations, safeguarding sensitive business information.
- Non-employees visiting the Company must complete identity registration upon entry and must be accompanied by representative of the Company throughout their visit to prevent unauthorized access to confidential information.

(5) Implementation Status

Regular audits are conducted on the internal control procedures within the R&D cycle to ensure that the acquisition, maintenance, and utilization of intellectual property rights are managed in accordance with the Company’s policies.

The key implementation efforts in recent years include the

following:

- Continuous updates and improvements have been made to the patent database system to efficiently manage patent cases and monitor the application process.
- Access control systems and authorization mechanisms have been reinforced to prevent the leakage of confidential information.
- Comprehensive training sessions are provided to all employees of the Company to raise awareness of the importance of protecting trade secrets and information security.
- Basic patent knowledge and patent infringement prevention training sessions are conducted to cultivate employees' understanding of intellectual property rights and to promote a culture of protection and compliance.

Current intellectual property outcome achieved is as follows:

A. Patents

Up to the current year, the Company has filed 44 new patent applications. By the end of 2025, a total of 417 patent applications have been filed. After accounting for expired patents, our Company currently holds 226 granted patents worldwide.

B. Trade Secrets

Up to the end of 2025, the Company has established comprehensive information security measures and continuously updates its policies as needed. The importance of protecting trade secrets is emphasized in employment contracts and supplier procurement agreements. Additionally, related awareness training is conducted to ensure that employees understand and implement trade secret protection measures effectively.

C. Trademarks

As of the end of 2025, the Company has registered trademarks in the primary global markets for relays, including Taiwan, China, the European Union, the United States, Japan, and South Korea. In line with the expansion of the Song Chuan Group's business operations and production capabilities, efforts to register and strategically position trademarks for products and services are ongoing.

4. For the corporate governance operational status of the Company, please refer to the Corporate Governance section on the Company's website at:
<http://www.songchuan.com.tw>.

(VIII) Internal Control System Implementation Status

1. Statement of Internal Control: Please refer to the MOPS/Single Company/Corporate Governance/Company Regulations/Internal Control/Statement of Internal Control. (Inquiry website <https://mops.twse.com.tw/mops/#/web/home>)
2. For those who entrust CPAs to conduct a CPA's special review of internal control system, the CPA's review report shall be disclosed. Please refer to the MOPS/Single company/Corporate governance/Company regulations/Internal control/internal control special review report. (Inquiry website <https://mops.twse.com.tw/mops/#/web/home>)

(IX) Important resolutions of the shareholders' meetings and the Board of Directors in the most recent year and up to the date of printing of the annual report

1. Major resolutions made by the shareholders' meeting and implementation status for 2025 and 2026 up to the printing date of the annual report:

Meeting date	Major resolution	Implementation Status
2025/06/27 General shareholders' meeting	1. Ratification of the 2024 business report and financial statements. 2. Ratification of the 2024 earnings distribution proposal. 3. Approved the proposal on the amendment to parts of the provisions of the "Articles of Incorporation" of the Company. 4. Approved the proposal for cancellation of non-compete restriction of directors.	1. The proposal was approved by voting. 2. The proposal was approved by voting, with a cash dividend of NT\$2.5 per share and a total cash dividend of NT\$181,539,983, which was distributed on August 21, 2025. 3. The proposal was approved by voting, and the amended Articles of Incorporation were uploaded to the Company's website. The registration of Articles of Incorporation amendment was completed on August 22, 2025. 4. The proposal was approved by voting, and material information announcement was made on June 27, 2025.

2. Major resolutions made by the Board of Directors' meeting for 2025 and 2026 up to the printing date of the annual report:

Meeting date	Major resolution
2025/03/13	1. Approved the Company's 2024 Business Report and Financial Statements (IFRSs). 2. Approved the 2024 distribution of remuneration of employees and directors. 3. Approved the 2024 earnings distribution proposal. 4. Approved the assessment of the competence and independence of the retained CPAs and the review of audit fees. 5. Approved the follow-up on the financial reporting capability improvement plan. 6. Approved the assessment of the effectiveness of the company's internal control system for 2024 and the internal control system statement. 7. Approved the proposal on defining the scope of entry-level employees. 8. Approved the amendments to the "Internal Control System" and the "Internal Audit Enforcement Rules". 9. Approved the proposal on the amendment to parts of the provisions of the "Articles of Incorporation" of the Company. 10. Approved the sale of equipment by the company to its subsidiary, Song Chuan (Xiamen) (for

	business use). 11. Approved the proposal to enter into the over-allotment and specific shareholders' lock-up agreement with Yuanta. 12. Approved the proposal for cancellation of non-compete restriction of directors. 13. Approved the matters relating to the convening of the 2025 general shareholders' meeting. 14. Approved the proposal for acceptance of matters related to shareholders' proposals for the 2025 general shareholders' meeting.
2025/03/28	1. Approved the proposal for the Company to extend loans to its subsidiaries.
2025/04/18	1. Approved the assessment of the effectiveness of the company's internal control system for the period from April 1, 2024 to March 31, 2025 and the internal control system statement. 2. Approved the release of the Company's financial forecasts for the second and third quarters of 2025. 3. Approved the release of the company's "Corporate Governance Evaluation Self-Assessment Report". 4. Approved the establishment of the Company's "Risk Management Best-Practice Principles" and "Risk Management Policies and Procedures". 5. Approved the appointment of the Company's chief information security officer and information security personnel. 6. Approved the appointment of the Company's acting spokesperson.
2025/05/12	1. Approved the Company's first quarter 2025 financial statements (IFRSs). 2. Approved the release of the Company's financial forecasts for the second and third quarters of 2025.
2025/05/29	1. Approved the ratification of the merger and acquisition of Shanghai Song Chuan Precision Electron Co., Ltd. approved by the Board of Directors on April 15, 2022. 2. Approved the ratification of the purchase of production equipment by the subsidiary, Song Chuan (Xiamen) Precision Electron Co., Ltd., from Xiamen Song Chung Precision Co., Ltd., as approved by the Board of Directors on October 27, 2023. 3. Approved the cash capital increase for the subsidiaries, Song Chuan (Xiamen) and Song Chuan Precision Europe GmbH.
2025/07/21	1. Approved the proposal on the number of shares to be issued, the tentative price range, the purpose and the expected benefits of the company's pre-IPO cash capital increase. 2. Approved the allocation of subscription quotas reserved for employees (non-managerial officers) in connection with the Company's pre-IPO cash capital increase issuance of new shares. 3. Approved the allocation of subscription quotas reserved for employees (managerial officers) in connection with the Company's pre-IPO cash capital Increase Issuance of new shares. 4. Approved the Company's application for bank credit lines to meet operating funding needs. 5. Approved the provision of endorsements and guarantees by the Company for its subsidiary. 6. Approved the sale of equipment by the company to its subsidiary, Song Chuan (Xiamen) (for business use).
2025/08/13	1. Approved the Company's second quarter 2025 financial statements (IFRSs). 2. Approved the amendments to the Company's "Rules of Procedure for Board of Directors Meetings" "Internal Control System" and "Internal Audit Enforcement Rules". 3. Approved the preparation of the Company's sustainability report. 4. Approved the sale of equipment by the company to its subsidiary, Song Chuan (Xiamen) (for business use).
2025/11/13	1. Approved the Company's third quarter 2025 financial statements (IFRSs). 2. Approved the amendments to the general principles of the pre-approval of non-assurance services policy (general policy). 3. Approved the amendments to the Company's "Sustainable Development Best Practice Principles," "Corporate Governance Best Practice Principles," "Procedures for Handling Material Inside Information and Submitting Information on the Appointment or Dismissal of Insiders," and "Procedures for Applying for the Halt and Resumption of Emerging Stock TPEX Trading". 4. Approved the amendments to the "Internal Control System" and the "Internal Audit Enforcement Rules". 5. Approved the changes to the Company's information security personnel. 6. Approved the sale of equipment by the company to its subsidiary, Song Chuan (Xiamen) (for business use).

	7. Approved the appointment of the Company's new President.
2025/12/22	1. Approved the assessment of the competence and independence of the retained CPAs and the review of audit fees. 2. Approved the 2026 annual audit plan. 3. Approved the 2026 business plan (including budget). 4. Approved the provision of endorsements and guarantees by the Company for its subsidiary. 5. Approved the amendments to the "Approval Authority Table". 6. Approved the appointment and remuneration of the Chief Strategy Officer of the Company. 7. Approved the individual remuneration and amount for the Company's managerial officers. 8. Approved the distribution of annual remuneration to the Company's managerial officers. 9. Approved the dismissal of the Company's managerial officer. 10. Approved the sale of equipment by the company to its subsidiary, Song Chuan (Xiamen) (for business use).
2026/02/09	1. Approved the amendments to the "Internal Control System" and the "Internal Audit Enforcement Rules". 2. Approved the Company's proposal to acquire the common shares of Yi Sheng Investment Corporation.
2026/03/05	1. Approved the Company's 2025 business report and financial statements (IFRSs). 2. Approved the 2025 distribution of remuneration of employees and directors. 3. Approved the 2025 earnings distribution proposal. 4. Approved the assessment of the effectiveness of the Company's internal control system for 2025 and the internal control system statement. 5. Approved the periodic assessment of the scope of entry-level employees. 6. Approved the amendments to the "Rules of Procedure for Shareholders' Meeting" and "Procedures for Acquisition and Disposal of Assets". 7. Approved the Song Chuan's sale of equipment to the subsidiary Song Chuan Xiamen and Song Chuan Singapore (for business use). 8. Approved the proposal for cancellation of non-compete restriction of directors. 9. Approved the matters relating to the convening of the 2026 general shareholders' meeting. 10. Approved the proposal for acceptance of matters related to shareholders' proposals for the 2026 general shareholders' meeting. 11. Approved the individual remuneration and amount for the Company's managerial officers. 12. Approved the Company's application for bank credit lines to meet operating funding needs.

(X) Documented opinions or declarations made by directors or supervisors against board resolutions in the most recent year and up to the printing date of the annual report, and its main content: None.

IV. Information on CPAs' Fee

Unit: NT\$ thousand

Name of accounting firm	Name of CPAs	CPA audit period	Audit fee	Non-audit fee	Total	Remark
KPMG Taiwan	Rou-Lan Kuo Tsao-Jen Wu	2025/01/01~2025/12/31	2,730	3,763	6,493	Note

Note: Non-audit fees mainly refer to internal control special review, transfer pricing report, translation, corporate income tax audit services, and disbursement.

(I) When the accounting firm is changed and the audit fees paid for the financial year in which the change took place are less than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the

change and the reason shall be disclosed: Not applicable.

- (II) If the audit certification expense has decreased by over 10% compared to that of the previous year; the amount, proportion, and reasons for the audit certification expense reduction must be disclosed: none.

V. Information on Change of CPAs

If the Company changes its retained CPAs during the most recent two years or later period, the following shall be disclosed:

(I) Information relating to former CPAs

Date of change	February 2, 2024		December 27, 2024	
Reason of change and explanation	In order to comply with the plan for public offering and application for stock listing at the TWSE (TPEX), starting from 2023, CPA Tsao-Jen Wu of KPMG Taiwan has been changed to CPA Tsao-Jen and CPA Ying-Ju Chen of KPMG Taiwan.		To cope with an internal restructuring at KPMG in the fourth quarter of 2024, CPA Tsao-Jen Wu and CPA Ying-Ju Chen have been changed to CPA Rou-Lan Kuo and CPA Tsao-Jen Wu.	
Explain why the appointee or CPA was terminated or refuses to accept appointment	Contracting parties		Certified Public Accountant (CPA)	Appointee
	Condition			
	Voluntary termination of appointment		Not applicable	Not applicable
	Rejects further (continuous) retention		Not applicable	Not applicable
Audit report opinion other than unqualified opinion issued in the last two years and reasons thereof	None			
Any different opinions from the issuer	Yes		Accounting principle or practice	
			Disclosure of financial statements	
			Scope or step of audit	
			Others	
	None	V		
	Explanation			
Other disclosures (Item 1-4 to Item 1-7 of Subparagraph 6 of Article 10 of these Rules required to be further disclosed)	None			

(II) Information relating to the succeeding CPA

Name of accounting firm	KPMG Taiwan		
Name of CPAs	CPAs Tsao-Jen Wu, Ying-Ju Chen		CPAs Rou-Lan Kuo, Tsao-Jen Wu
Date of appointment	February 2, 2024		December 27, 2024
Accounting method or accounting principle for specific transactions before the retention and consultation and result on possible opinions issued for the financial statements	None		
Written opinions of succeeding CPAs on different opinions of former CPAs	None		

(III) The former CPAs' reply letter to Item 1 and Item 2-3 of Subparagraph 5 of Paragraph 1 of Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: Not applicable.

VI. The Company's Chairman, President and managerial officers in charge of its finance and accounting operations holding any positions within the independent audit firm or its affiliates in the most recent year: None.

VII. Transfer or pledge of shares owned by directors, supervisors, managerial officers, shareholders with shareholding percentage exceeding 10 percent during the most recent fiscal year or during the current year and up to the printing date of the annual report

(I) Equity transfer and change status of directors, supervisors, managerial officers and major shareholders:

Please refer to MOPS website / Single Company > Shareholding Changes/Securities Issuance/ Share Transfer Information Query > Post-Event Report of Insider Shareholding Changes, for details. (Inquiry website <https://mops.twse.com.tw/mops/#/web/home>)

(II) Where the counterpart of equity transfer is a related party: None.

(III) Where the counterparty of equity pledge is a related party: None.

VIII. Information of shareholders of top ten shareholding percentage for related parties or spouse, relative relationship within second degree of kinship among themselves

April 18, 2026; Unit: shares; %

Name	Shareholding of the individual		Shareholding of spouse or minor children		Total shareholding by nominee arrangement		Information on the relations among the top 10 major shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another and their names		Remark
	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Name	Relationships	
Mu Gong Chuan Co., Ltd.	14,652,769	18.37	-	-	-	-	Sehun Investment Co., Ltd.	Same person as the Chairman	-
							Hui-Min Cheng	Acting as its supervisor	-
Representative: Chuan-Shih Wang	137,444	0.17	-	-	3,671,095	4.60	-	-	-
TriKnight Capital Corporation	6,750,000	8.46	-	-	-	-	-	-	-
Representative: Dun-qian Zheng	-	-	-	-	-	-	-	-	-
Jiacheng International Co., Ltd.	4,772,326	5.98	-	-	-	-	-	-	-
Representative: Hui-Min Cheng	393,000	0.49	597,532	0.75	4,772,326	5.98	Mu Gong Chuan Co., Ltd.	Acting as its supervisor	-
Sehun Investment Co., Ltd.	3,671,095	4.60	-	-	-	-	Mu Gong Chuan Co., Ltd.	Same person as the Chairman	-
Representative: Chuan-Shih Wang	137,444	0.17	-	-	3,671,095	4.60	-	-	-
Mu Yuer Co., Ltd.	3,173,918	3.98	-	-	-	-	-	-	-
Representative: Te-Shao Liu	117,444	0.15	-	-	3,173,918	3.98	-	-	-
Songmao International Co.,	2,634,258	3.30	-	-	-	-	-	-	-

Name	Shareholding of the individual		Shareholding of spouse or minor children		Total shareholding by nominee arrangement		Information on the relations among the top 10 major shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another and their names		Remark
	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Name	Relationships	
Ltd.									
Representative: Chuan-En Yang	-	-	-	-	2,634,258	3.30	-	-	-
Xiongying Chuangchuang Investment Co., Ltd.	2,504,470	3.14	-	-	-	-	-	-	-
Representative: Qi-Feng Zhang	615,707	0.77	-	-	2,504,470	3.14	-	-	-
Wencheng Investment Co., Ltd.	1,875,216	2.35	-	-	-	-	-	-	-
Representative: Li-Fang Lin	-	-	-	-	1,875,216	2.35	-	-	-
Taiwan Hong Ding Asia II Limited Partnership	1,873,345	2.35	-	-	-	-	-	-	-
Ching Ho Feng Co., Ltd.	1,470,685	1.84	-	-	-	-	-	-	-
Representative: Sung-Jen Wu	248,611	0.31	-	-	1,470,685	1.84	-	-	-

IX. Number of shares held by the Company, the Company's directors, supervisors, managerial officers and the number of shares invested in a single company which are held by the entities directly or indirectly controlled by the Company, and calculating the consolidated shareholding percentage of the above categories

December 31, 2025; Unit: Shares; %

Reinvestment business	Investment of the Company		Investment by directors, supervisors, and managers or directly or indirectly controlled businesses		Consolidated investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Song Chuan Precision Americas, Inc.	100	100	-	-	100	100
Song Chuan Precision Europe GmbH	25,000	100	-	-	25,000	100
Song Chuan Singapore Pte. Ltd.	6,500,000	100	-	-	6,500,000	100
Song Chuan Korea co., Ltd.	497,628	100	-	-	497,628	100
Song Chuan (Thailand) Co., Ltd.	10,000	100	-	-	10,000	100
Song Chuan Automotive Parts (India) Private Limited.	25,225,694	91.06	-	-	25,225,694	91.06
Song Chuan Precision UK Ltd.	1	100	-	-	1	100
Song Chuan (Xiamen) Precision Electron Co., Ltd.	Note 1	100	-	-	Note 1	100
Shanghai Song Chuan Precision Electron Co., Ltd.	Note 1	100	-	-	Note 1	100

Note 1: It is a limited company without issuance of shares; therefore, it has no shares.

Three. Financing Status

I. Capital and shares

(I) Source of share capital

Unit: NT\$ thousand; thousand shares

Year/Month	Issue price	Registered capital		Paid-in capital		Remarks (NT\$)		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash as capital contribution	Others
2019.04	30	45,000	450,000	45,000	450,000	Cash capital increase of 1,500 thousand shares	-	Note 1
2020.10	10	100,000	1,000,000	45,000	450,000	Increase of total capital	-	Note 2
2020.12	10	100,000	1,000,000	15,000	150,000	Capital reduction of 30,000 thousand shares	-	Note 3
2020.12	30	100,000	1,000,000	25,000	250,000	Cash capital increase of 10,000 thousand shares	-	Note 4
2021.10	40	100,000	1,000,000	36,141	361,416	Cash capital increase of 11,141 thousand shares	-	Note 5
2022.07	60	100,000	1,000,000	46,104	461,040	Cash capital increase of 9,963 thousand shares	-	Note 6
2022.10	60	100,000	1,000,000	52,751	527,511	Cash capital increase of 6,647 thousand shares	-	Note 7
2022.11	60	100,000	1,000,000	56,076	560,760	Cash capital increase of 3,325 thousand shares	-	Note 8
2023.07	50	100,000	1,000,000	58,116	581,160	Stock subscription warrants conversion of 2,040 thousand shares	-	Note 9
2023.09	100	100,000	1,000,000	65,116	651,160	Cash capital increase of 7,000 thousand shares	-	Note 10
2023.09	80	100,000	1,000,000	72,616	726,160	Convertible corporate bonds conversion of 7,500 thousand shares	-	Note 11
2025.12	95	100,000	1,000,000	79,746	797,460	Cash capital increase of 7,130 thousand shares	-	Note 12

Note 1: Approval according to Xin-Bei-Fu-Jing-Si-Zi No. 1088026260 Letter dated April 22, 2019

Note 2: Approval according to Xin-Bei-Fu-Jing-Si-Zi No. 1098073169 Letter dated October 12, 2020

Note 3: Approval according to Xin-Bei-Fu-Jing-Si-Zi No. 1098106531 Letter dated December 29, 2020

Note 4: Approval according to Xin-Bei-Fu-Jing-Si-Zi No. 1108007412 Letter dated January 28, 2021

Note 5: Approval according to Xin-Bei-Fu-Jing-Si-Zi No. 1108082708 Letter dated November 18, 2021

Note 6: Approval according to Xin-Bei-Fu-Jing-Si-Zi No. 1118056471 Letter dated August 10, 2022

Note 7: Approval according to the Jing-Shou-Shang-Zi No. 11101216030 Letter dated November 10, 2022

Note 8: Approval according to the Jing-Shou-Shang-Zi No. 11101247650 Letter dated December 27, 2022

Note 9: Approval according to the Jing-Shou-Shang-Zi No. 1123019850 Letter dated August 25, 2023

Note 10: Approval according to the Jing-Shou-Shang-Zi No. 11230182730 Letter dated October 5, 2023

Note 11: Approval according to the Jing-Shou-Shang-Zi No. 11230190770 Letter dated October 18, 2023

Note 12: Approval according to the Jing-Shou-Shang-Zi No. 11430174240 Letter dated December 3, 2025

April 18, 2026; Unit: shares

Type of shares	Registered capital			Remark
	Outstanding shares	Unissued shares	Total	
Registered ordinary shares	79,745,993	20,254,007	100,000,000	Shares listed on the stock exchange

If approval has been granted to offer and issue securities by shelf registration, additionally information on the approved amount and information regarding securities to be issued or already issued shall be disclosed: None.

(II) List of major shareholders

Name, shareholding quantity and percentage of shareholders with shareholding percentage reaching above 5 percent; if there are less than ten shareholders with shareholding percentage reaching above 5 percent, then it is necessary to disclose shareholders of top 10 shareholding percentages:

April 18, 2026; Unit: shares; %

Name of major shareholder	Shares	Number of shares held	Shareholding percentage
Mu Gong Chuan Co., Ltd.		14,652,769	18.37
TriKnight Capital Corporation		6,750,000	8.46
Jiacheng International Co., Ltd.		4,772,326	5.98
Sehun Investment Co., Ltd.		3,671,095	4.60
Mu Yuer Co., Ltd.		3,173,918	3.98
Songmao International Co., Ltd.		2,634,258	3.30
Xiongying Chuangchuang Investment Co., Ltd.		2,504,470	3.14
Wencheng Investment Co., Ltd.		1,875,216	2.35
Taiwan Hong Ding Asia II Limited Partnership		1,873,345	2.35
Ching Ho Feng Co., Ltd.		1,470,685	1.84

(III) The Company's dividend policy and implementation status

1. Dividend policy stipulated in the Articles of Incorporation:

Where the Company has a surplus earning at the annual settlement of each year, amount shall be appropriated for tax payment according to the laws or for loss compensation, following which 10% thereof shall be set aside as the legal reserve; however, when the legal reserve has reached the paid-in capital, such requirement shall not be applicable. In addition, after special reserve has been set aside or reversed according to laws or regulations, the sum of the remaining amount of earning and the accumulated undistributed earning in total may be determined by the board of directors for the establishment of a proposal for

distribution of earnings, followed by submission to the shareholders' meeting for resolution on the distribution or reservation thereof.

When the dividends, bonuses, legal reserve and capital surplus are distributed in the form of cash, the Board of Directors is authorized to execute the distribution in accordance with the resolution of the Board of Directors' meeting attended by more than two thirds of the directors and the consents of a majority of the attending directors. In addition, a report to the shareholders' meeting shall also be made.

In accordance with the Company's current and future development plans, and based on the consideration of its capital requirements, investment environment, domestic and international competition and shareholder interests, the Company's dividends shall not be less than 10% of the distributable earnings for the year. However, if the distributable earnings for the year are less than 3% of the paid-in capital, a resolution may be adopted to transfer the entire amount to retained earnings without distribution. Distribution of earnings may be made in cash or in shares, provided that the cash dividend distribution ratio shall not be less than 20% of the total distribution amount.

2. Distribution of dividends proposed for resolution in the present shareholders' meeting:

The Company's net profit for 2025 was NT\$269,164 thousand. Considering the profitability, capital structure, and future operational needs, the Board of Directors has resolved on March 5, 2026, to distribute the cash dividend of NT\$2 per share to shareholders for a total of NT\$159,492 thousand, which will be reported during the general shareholders' meeting on June 17, 2026.

3. Expected material changes in dividend policy: None.

- (IV) Impact of the distribution of bonus shares proposed in the present shareholders' meeting on the business performance of the Company and earning per share: Not applicable.

- (V) Remunerations of employees, directors and supervisors

1. Percentages or ranges with respect to employees/directors/supervisors' remuneration as stated in the Articles of Incorporation:

Where there is profit for the year, the Company shall set aside no less than 1.5% of its profit as for remuneration of employees and no more than 1% as the

remuneration of directors. However, priority shall be given to covering cumulative losses.

For the amount of remuneration of employees described in the preceding paragraph, no less than 50% of such amount shall be appropriated as remuneration of the entry-level employees.

The term of profit described in the preceding paragraph refers to the profit before subtracting the distribution of the employees' remuneration and the remuneration of directors from the current year income before tax.

2. The estimated basis for calculation of employees', directors' and supervisors' remuneration, the share calculation basis for the distribution of employees' remuneration in the form shares and the accounting handling for any discrepancy between the actual distribution amount and the estimated value:

- (1) The estimated basis for calculation of employees', directors' and supervisors' remuneration, the share calculation basis for the distribution of employees' remuneration in the form shares:

The Company performs estimation based on the current-year profit, as determined by the percentage range outlined in the Articles of Incorporation.

- (2) Accounting handling when there is difference between the actual distribution amount and the estimated amount:

If the actual distribution amount determined subsequently differs from the estimated amount, it shall be treated as a change in accounting estimate and recognized as profit or loss in the year of actual distribution.

3. Remuneration distribution approved by the Board of Directors:

- (1) The remuneration of employees, directors and supervisors are to be distributed in the form of cash or shares. If there is difference in the expense annual estimation amount recognized, the difference amount, reason and handling status shall be disclosed:

On March 5, 2026, the Board of Directors has approved the distribution of 2025 remuneration of employees and directors, totaling NT\$5,570 thousand and NT\$3,000 thousand respectively. These amounts were paid in cash and without any inconsistency with the estimated expense recorded in accounts.

(2) Employees' remuneration distributed in share and the and ratio over the entity or individual financial report net profit in the current period and the employees' remuneration total amount: Not applicable.

4. Actual distribution status of employees', directors' and supervisors' remunerations in the last year (including the distributed number of shares, amount and share price), and any discrepancy with the employees', directors' and supervisors' remuneration recognized, and shall describe the difference amount, reason and handling status:

On March 13, 2025, the Company's Board of Directors has approved the distribution of 2024 remuneration of employees and directors, totaling NT\$707 thousand and NT\$2,700 thousand, respectively. Such distribution aligns with the estimated expense recorded in accounts.

(VI) Repurchase of the Company's shares: None.

II. Issuance of corporate bonds: None.

III. Issuance of preferred shares: None.

IV. Information on overseas depository receipts: None.

V. Issuance of employee stock options: None.

VI. Issuance of new restricted employee shares: None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Financing Plans and Implementation Status:

Up to the printing date of annual report of last quarter, any previous issuances or private placements of securities not yet been completed or those completed in the last three years with plan effectiveness not yet revealed: None.

The Company's recent cash capital increases that have not yet been completed, or were completed within the past three years, are summarized below:

1. Fund utilization plan and progress

Unit: NT\$ thousand

Year	Source of capital	Total fund (NT\$ thousand)	Project item	Expected completion date	Expected fund utilization progress	Expected possible benefits	Competent Authority Approval Date and Document No.
2nd time in 2023	Cash capital increase of 7,000 thousand shares, at par value of NT\$10, and issue price of NT\$100	700,000	Replenishment of working capital	3rd quarter of 2023	3rd quarter of 2023	Increase of own capital, establishment of sound financial structure	2023.10.05 Approval according to Jing-Shou-Shang-Zi No. 11230182730 Letter
1st time in 2025	Cash capital increase of 7,130 thousand shares, at par value of NT\$10, and issue price of NT\$95	677,350	Replenishment of working capital	4th quarter of 2025	4th quarter of 2025	Improve capital scheduling flexibility, strengthen the financial structure, and enhance the Company's long-term competitiveness positively benefit overall operations and business development, thereby reducing enterprise operating risks.	2025.08.08 Approval according to Tai-Zheng-Shang-Yi Zi No. 1141803366 Letter

2. Cash capital increase plan change date: Note applicable.

3. Date of input at MOPS website: 2025/08/08

4. Implementation Status

Unit: NT\$ thousands; %

Project item	Execution status			Reasons for progress ahead or behind schedule and improvement plans
2nd time in 2023, Replenishment of working capital	Drawing amount	Expected	700,000	This plan has been executed completely
		Actual	700,000	
	Execution progress (%)	Expected	100	
		Actual	100	
1st time in 2025, Replenishment of working capital	Drawing amount	Expected	677,350	This plan has been executed completely
		Actual	677,350	
	Execution progress (%)	Expected	100	
		Actual	100	

5. Execution benefit analysis

Unit: NT\$ thousands; %

Item/Year		2022	2023	2024	2025
Basic financial information	Current assets	5,299,569	5,429,076	5,708,221	6,172,536
	Current liabilities	3,787,798	3,303,489	3,099,682	2,982,353
	Total liabilities	6,338,131	4,911,885	4,683,753	4,650,231
	Interest expense	150,234	146,372	77,097	66,833
	Operating revenue	6,126,197	5,480,327	5,963,714	6,432,803
	Earnings per share (NT\$)	12.93	6.17	6.95	3.63
Financial structure (%)	Debt-to-asset ratio	70.07	52.08	48.37	43.97
	Long-term capital to property, plant and	174.40	180.90	193.84	216.68

Item/Year		2022	2023	2024	2025
	equipment ratio				
Solvency (%)	Current ratio	139.91	164.34	184.15	206.96
	Quick ratio	83.22	107.41	121.63	138.61

Source of Information: Financial statements audited by CPAs

The Company's previous capital increases were used for the working capital and were executed completely. The financial structure has improved since such execution. Specifically, the debt ratio decreased from 70.07% in 2022 to 43.97% in 2025, while the long-term funds to property, plant, and equipment ratio increased from 174.40% in 2022 to 216.68% in 2025. These changes represent a significant improvement in the Company's financial structure. In terms of solvency, the current ratio and quick ratio in 2022 were 139.91% and 83.22%, respectively. These ratios increased to 206.96% and 138.61% respectively in 2025, representing a significant improvement over the levels before financing. Looking at the overall operating trend from 2022 to 2025, as the benefits of investment in electric vehicles and new energy applications have become apparent, the Company's financial structure and solvency have improved, demonstrating that the benefits of the previously completed cash capital increases have been achieved.

Four. Operation Overview

I. Business Content

(I) Business Scope

1. Main content of business operated by the Company:

The Company primarily engages in the research and development, manufacturing, and sales of relays. High-load power relays with a working current of more than 100A, which are also known as contactors. Relays perform automatic control, safety protection, and circuit switching in electrical circuits. They are known for their fast operation, stable performance, long lifespan, and compact size, and have been widely used in applications of power protection, automation, remote control, and isolation protection devices.

2. Main product types and their business weights in the most recent two years:

Unit: NT\$ thousands; %

Product item	2024		2025	
	Operating revenue	Revenue percentage	Operating revenue	Revenue percentage
Relays for new energies	3,334,788	55.92	3,668,555	57.03
Automotive relays	1,311,619	21.99	1,341,341	20.85
General relays	1,317,307	22.09	1,422,907	22.12
Total	5,963,714	100.00	6,432,803	100.00

3. Present product (service) items of the Company:

The Company's main products refer to relays, and the main product categories are:

A. Relays for new energies

New energy relays refer to relays used in applications of electric vehicles, solar power generation, smart grids, energy storage systems, and various charging systems.

B. Automotive relays

Automotive relays are mainly used for automatic control applications in central electrical control boxes and body control systems, and the voltages mainly refer to 12VDC and 24VDC in principle.

C. General relays

The general relays encompass relays used in household appliances, industrial control equipment, power supply unit, uninterrupted power supply systems, server power, and other automatic control applications.

In addition to the standardized products listed above, the Company

has the capability to provide both customized and innovative product services.

4. New product (service) items planned for development:

The Company continues to strengthen and expand its presence in the new energy market, including energy storage and electric vehicles, and has developed high-current, high-voltage, low-power consumption relays, in order to meet evolving market trends.

A. On-board AC/DC new energy relays

As EV charging systems have become increasingly standardized, such as NACS charging standard, development continues to focus on on-board AC/DC relays capable of integrating various charging standards.

B. Vacuum sealed high voltage contactors

Electric vehicle battery voltage is available in 400/800VDC systems, and solar energy DC voltage has continued to increase. In addition to the existing non-sealed high voltage DC technology, the Company is actively developing a vacuum sealed high voltage contactor to meet future market demand.

C. PCB type automotive relays

Building on its existing automotive relay technology, the Company has expanded beyond providing complete vehicle solutions for various relay types to continuously develop smaller, higher-capacity PCB products. This development adapts to the increasing sophistication and integration of the central electrical control box, and has replaced traditional, larger plug-in relays.

D. Low heat magnetic latching automotive relays

In addition to size reduction, to address the heating issues resulting from the high-density integration of automotive control boxes and the increased use of relays, the Company is developing low-heat magnetic latching relays for future automotive applications, leveraging the non-heating coil characteristics of this relay type.

E. Relays for new energy systems rated above 300kW

To reduce unit power generation cost, the solar inverter industry continues to increase the voltage and current requirements for relays. In addition to successfully mass-producing products applicable to systems of

200KW and above 1000VAC/1500VDC, the Company continues to develop new generation of products applicable to systems above 300KW.

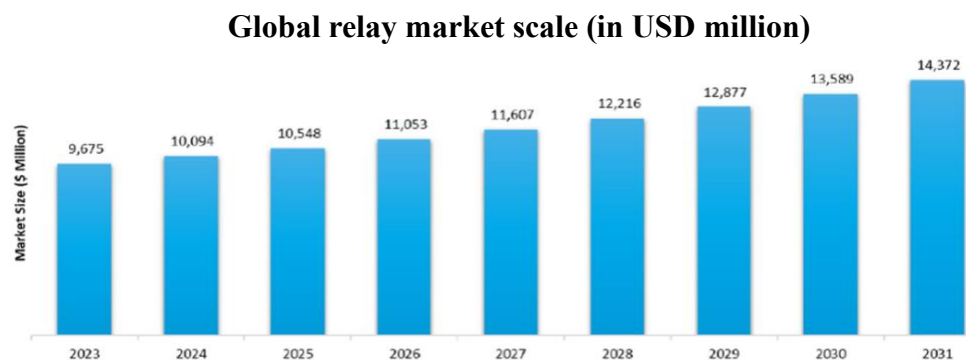
F. Energy storage system AC/DC relays

The ESS energy storage industry has experienced rapid growth and continues to expand. Beyond existing solutions already integrated into the supply chain, the Company is collaborating closely with customers to develop next-generation products with improved safety and efficiency, in order to meet future demands.

(II) Industry Overview

1. Industry current status and development:

The Company is a professional relay designer and manufacturer, and products are also sold in the international markets under its own brand of “SONG CHUAN”. The Company offers a comprehensive range of relay products widely used in electric vehicles, automobiles, new energy applications, industrial control systems and home appliances. In addition, the Company has obtained more than 200 technology patents and relevant product certificates. According to a market report published by market research firm Orion Market Research in November 2024, the global relay market was valued at approximately US\$9,675 million in 2023 and is projected to reach US\$14,372 million by 2031, representing a compound annual growth rate of approximately 5.2%, indicating a consistent and stable market growth trend.



Source of Information: Orion Market Research Report (2024/11)

Based on the overall relay industry chain, the global relay market is currently divided into five categories based on end-use application markets: Automotive and Transportation, Energy and Power, Electronics and Semiconductors, Aerospace and Defense, and others. These categories

accounted for 26%, 52%, 15%, 1.7%, and 5.3% of the global relay market, respectively. The Company's relay products are mainly used in the Automotive and Transportation and Energy and Power sectors, representing approximately 70% to 80% of the Company's revenues. The following provides an overview of the Company's end-use application market:

A. Automotive and Transportation

According to the market report issued by market research firm Orion Market Research in November 2024, the scale of global relay applications in the transportation and shipping market was approximately US\$2,512.6 million in 2023, and is expected to reach US\$3,996.9 million by 2031, with an annual compound growth rate of about 6.1%. The market mainly focuses on the Asia-Pacific region of a market scale of approximately US\$1,128.4 million, representing approximately 44.9% of the global market. It is projected to reach US\$1,897.3 million by 2031, with a compound annual growth rate of around 6.8%. The next key market is the North America region, with a market scale of approximately US\$693.5 million, accounting for approximately 27.6% of the global market. This region is expected to grow to US\$1,147.9 million by 2031, at a compound annual growth rate of about 6.6%.

Market distribution of global relays applied to automotive and transportation

Unit: USD million

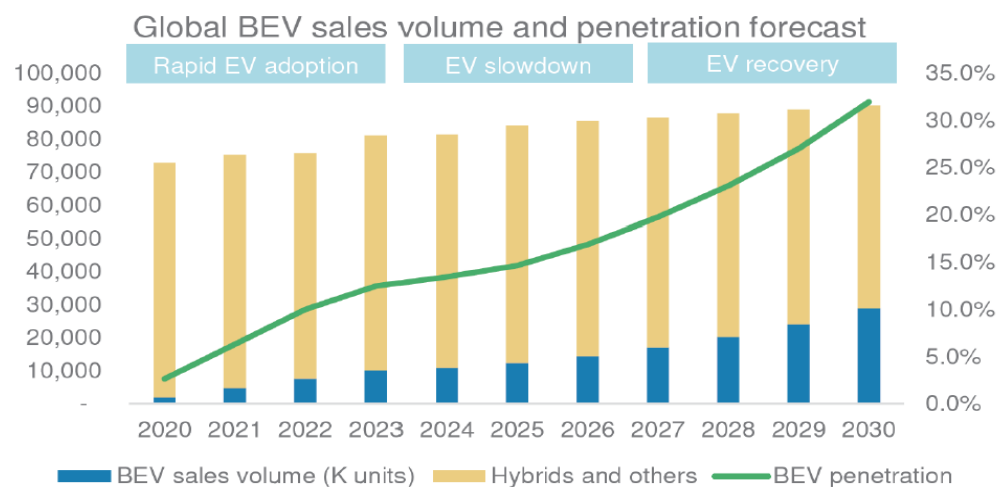
Region	2023	2024	2025	2026	2027	2028	2029	2030	2031	CAGR% (2024-2031)
North America	693.5	733.6	777.2	825.7	878.9	937.6	1,001.6	1,071.1	1,147.9	6.6
Europe	514.8	534.2	555.1	578.1	603.3	630.8	660.4	691.8	726.2	4.5
Asia-Pacific	1,128.4	1,196.2	1,269.8	1,351.7	1,441.6	1,540.9	1,649.3	1,767.1	1,897.3	6.8
RoW	175.9	180.6	185.7	191.2	197.3	203.7	210.6	217.8	225.5	3.2
Total	2,512.6	2,644.6	2,787.8	2,946.7	3,121.1	3,313.0	3,521.9	3,747.8	3,996.9	6.1

Source of Information: Orion Market Research Report (2024/11)

With the vigorous development of the electric vehicle industry in recent years, the Company has successfully entered the American electric vehicle manufacturer supply chain with its solid technical capabilities and plays an important role in the relevant industries. Since electric vehicles involve more power management and security control than traditional vehicles, including high-voltage current control, battery management system, and charging system, to further improve charging speed, new

generation of product specification updates have been introduced. Relays play an important role in electric vehicle charging facilities, on-board charging modules, and the battery disconnect unit (BDU). They are mainly used to control the current distribution of the high-voltage battery pack, the charging and discharging process, and circuit protection, ensuring the safety and stability of the battery system and preventing over-charging or over-discharging to prolong battery life. Simultaneously, in the charging system, relays manage power transmission between the charging pile and the vehicle, thereby ensuring the charging efficiency and safety. Typically, an EV is equipped with 5 to 8 high-voltage DC relays, including 2 main relays, 1 pre-charge relay, 2 fast charging relays, 2 normal charging relays, and 1 high-voltage system auxiliary relay. With the rapid growth of the global electric vehicle market, the value of relevant relay products has also increased. According to the research report issued by Morgan Stanley in September 2024, the global electric vehicle market experienced slight growth deceleration from 2024 to 2026; nevertheless, it is projected to grow rapidly at a compound annual growth rate of 19% from 2027 to 2030, and the industry trend remains positive.

Global electric vehicle market growth trend for 2024~2030



The global EV market will grow rapidly at a compound annual growth rate of 19% from 2027 to 2030.

Exhibit 10:

Quantifying the global EV slowdown during 2024-26E and the recovery from 2027-2030E

	Slowing EV growth (2024-2026E)	EV growth recovery (2027-2030E)
BEV penetration	From 14% in 2024E to 17% in 2026E	From 20% in 2027E to 32% in 2030E
BEV volume growth	15% CAGR	19% CAGR
PHEV volume growth	13% CAGR	3% CAGR
Capex	Legacy OEMs: decelerate to flatish CAGR China OEMs: accelerate amid global expansion	Recovers to ~5% CAGR amid growing EV collaboration
ROE	Legacy OEMs: stabilize from higher capital discipline China OEMs: fall below 5% amid global expansion	Recovers above 10% from higher capacity utilization from EV collaboration
China EV offshore market share	16% in 2026E	30% in 2030E
L3 or above ADAS adoption	From 12% in 2024E to 19% in 2026E (hardware-driven)	From 22% in 2027E to 34% in 2030E (software-driven)
EV collaboration	Cross-border EV strategic partnerships forming	New EV models under strategic partnerships launching

Source of Information: Morgan Stanley Research estimates, 2024/09

B. Energy and Power

According to the market report issued by market research firm Orion Market Research in November 2024, the scale of global relay applications in the energy and power market was approximately US\$5,031 million in 2023, and is expected to reach US\$7,588.4 million by 2031, with an annual compound growth rate of about 5.4%. The market mainly focuses on the Asia-Pacific region of a market scale of approximately US\$2,556.3 million, representing approximately 50.8% of the global market. It is projected to reach US\$4,027.1 million by 2031, with a compound annual growth rate of around 6%. The next key market is the North America region, with a market scale of approximately US\$1,168.2 million, accounting for approximately 23.2% of the global market. This region is expected to grow to US\$1,726.6 million by 2031, at a compound annual growth rate of about 5.1%.

Market distribution of global relays applied to energy and power

Unit: USD million

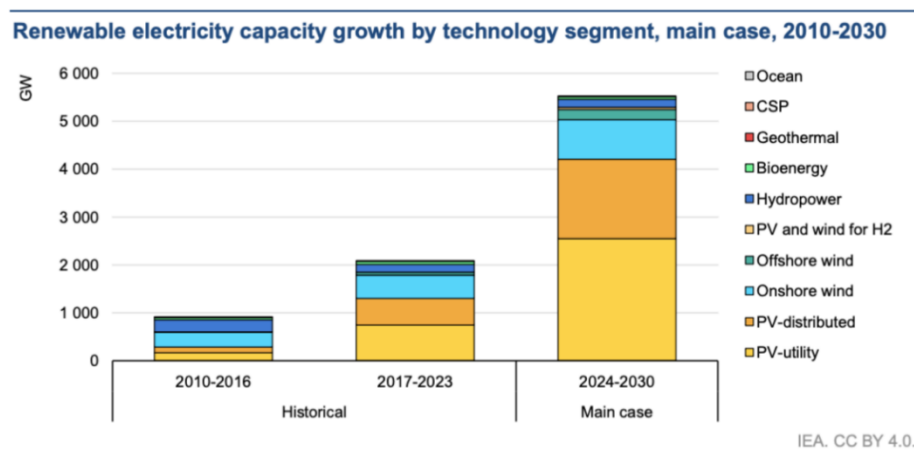
Region	2023	2024	2025	2026	2027	2028	2029	2030	2031	CAGR% [2024-2031]
North America	1,168.2	1,218.3	1,272.4	1,332.7	1,398.7	1,471.0	1,549.7	1,634.4	1,726.6	5.1
Europe	919.2	953.3	990.2	1,031.6	1,076.5	1,125.8	1,179.4	1,236.8	1,299.5	4.5
Asia-Pacific	2,556.3	2,686.6	2,828.4	2,985.5	3,158.5	3,348.4	3,555.6	3,779.6	4,027.1	6.0
RoW	387.3	400.8	415.1	430.9	448.4	468.2	488.6	510.6	535.2	4.2
Total	5,031.0	5,259.0	5,506.1	5,780.7	6,082.1	6,413.4	6,773.3	7,161.4	7,588.4	5.4

Source of Information: Orion Market Research Report (2024/11)

In recent years, the global energy transition has accelerated, and renewable energy has played an increasingly important role. Clean energy

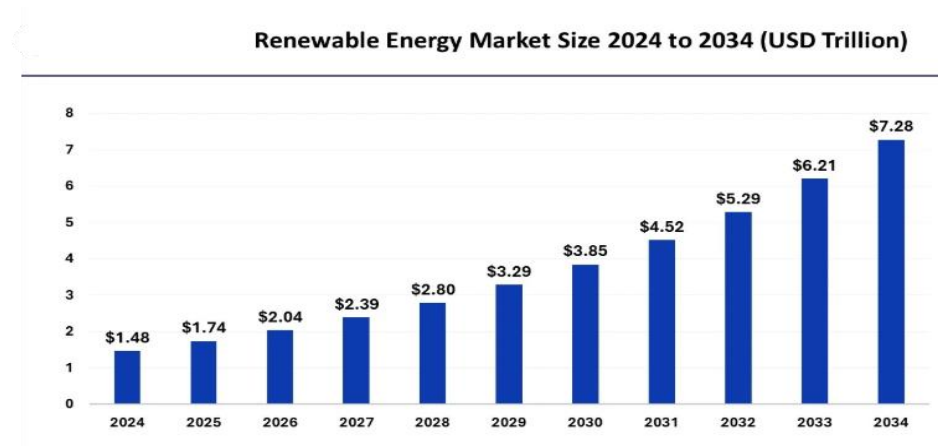
technologies of solar and wind power have matured rapidly, and the costs have continued to fall, leading to a year-over-year increase in their share of power generation. Countries worldwide have set carbon reduction targets and are undertaking energy structure transformation to address the challenges of climate change. Solar power is the most mature alternative energy generation technology in the renewable energy industry. According to a forecast by the International Energy Agency (IEA), new solar power generation capacity exceeded 4000GW in 2030. The IEA has stated that renewable energy will meet nearly half of global electricity demand in 2030, with solar energy accounting for 80% of the capacity growth. However, the intermittent nature of solar energy also challenges stable power generation. For this reason, relays are essential components in solar power generation systems, managing current distribution and providing circuit protection to prevent equipment damage from overloads or short circuits, thereby ensuring efficient power generation. With the rapid growth of the global renewable energy market, the value of relevant relay products has increased. According to the research institution Precedence Research, the global renewable energy market has reached US\$1.74 billion in 2025 and is expected to reach approximately US\$7.28 billion by 2034, with a compound annual growth rate of 17.23%. The industry trend remains optimistic.

Total power generation of various energies worldwide



Source of Information: International Energy Agency (2024/09)

Global renewable energy market scale estimation



Source of Information: Precedence Research (2025/01)

In summary, the Company's relay industry is a stable market with continuous growth, and the market scale is expected to reach US\$14,372 million by 2031, with a compound annual growth rate of approximately 5.2%. However, growth rates in specific emerging application areas, such as electric vehicles, charging systems, solar power generation, and energy storage systems, are significantly higher than the global 5.2% compound annual growth rate for the relay industry. Over the past 10 years, the Company has actively transformed itself and strategically positioned itself in the new energy market. In 2024, the sales proportion of new energy relay products has exceeded 50%, and such successful transformation has enabled the Company to achieve higher growth and profit margin.

2. Correlation among upstream, midstream and downstream in the industry:

The Company is primarily engaged in the research and development, manufacturing, and sales of relays, operating with a high degree of vertical integration organizational model. Provide comprehensive and end-to-end processes encompassing product design and development, automated production equipment development, mold development, parts production, relay assembly, testing and verification, and sales. Play a key role in the industrial supply chain, offering customers comprehensive solutions.

With a high degree of vertical integration in the manufacturing technology for relay components, the Company primarily purchases raw materials, including plastic pellets, iron materials, copper materials, and enameled wire, for in-house parts production. Self-manufactured parts account for 70–80% of total component needs. Consequently, the Company has established strategic

partnerships with suppliers for raw materials and has jointly developed new materials with key suppliers, such as silver alloy material for contacts and plastic materials suitable for high-voltage products, to further advance and integrate upstream technology.

To improve customers' trust and to build long-term partnerships, the Company has not only provided products and services that lead the market in innovation and development, but is also moving towards modular products. By integrating the needs of multiple customers, we are developing modular products beyond simple relays, in order to assist clients to reduce overall product costs and optimize design solutions, thereby increasing the added value of our products and services.

Upstream	Midstream	Downstream
Plastics Industry	Relay Industry	Automotive Industry
Metal Industry		Electric Vehicle Industry
Metal Raw Materials Industry		Home Appliance Industry
		Solar Energy Industry
		Industrial Control Industry

3. Various development trends of products and competition status:

(1) Product development trend:

Faced with the risk that the market's accelerated shift to new technologies and products may impact sales of the Company's existing products, the Company's countermeasures are to "develop next-generation products and actively promote customers for new product developments".

- (A) Solar/energy storage: The market for solar photovoltaic inverters (PVI) above 320 kW and 1000 VAC has become matured. The Company continues to develop relay products for renewable energy and energy storage equipment featuring high voltage, high current load, low power consumption, and low contact resistance.
- (B) EV/charging related technologies: Integration of features including increased battery voltage of the on-board battery disconnect unit (BDU) system of battery electric vehicles (BEV) to 800–1000 VDC control module, DC fast charging (DCFC) increased to 1000 VDC, on-board charger (OBC), vehicle-to-everything (V2X), and the

North American Charging Standard (NACS). The Company will continue EV relay product development, focusing on smaller size, lower power consumption, and increased resistance to high voltage and high current.

- (C) Automotive: Major European and American automakers continue to develop smaller, higher-powered junction boxes and power distribution units (PDUs). The Company will continue to focus on product development of smaller, more powerful automotive relay products.
- (D) Industrial control: The market demands for relay safety insulation requirements and the ability to withstand higher load capacity with lower heat generation have increased, as evidenced in equipment such as various types of UPS (uninterruptible power supply) systems, PDU (power distribution unit), ATS (automatic transfer switch), power management modules, and server power supplies. The Company will continue to focus on product development of general purpose relay products with higher load capacity and lower heat generation.

(2) Product competition status:

The relay industry is highly competitive, with numerous large companies of great market shares, including major European, American, and Japanese groups such as TE Connectivity, Omron, and Panasonic. In China, competitors like Hongfa and Sanyou focus on high-volume, low-price sales. Nevertheless, the Company has consistently promoted its products with a “quality-oriented” strategy and has concentrated on developing niche-type, differentiated innovative product development. We are able to quickly respond to customer demands and deliver high-quality services and products through flexible operations, solid technological foundation and vertically integrated organization while fostering close, long-term partnerships. In addition, the Company focuses on new energy industries such as electrified vehicles (xEV), photovoltaic inverters (PV inverters), and energy storage systems (ESS), and continues to develop products meeting customer requirements and future industry trends.

The following table describes the Company’s competitive strengths

and weaknesses compared to the competitors:

Company	Product competition advantages	Product competition disadvantages
Song Chuan Precision	Song Chuan leads the market in new energy application products and possesses advanced market advantages, resulting in high recognition of the brand of Song Chuan among international customers. The Company possesses capabilities in mold development, mechanism design, process design, and equipment development, allowing us to quickly provide customers with non-standard and non-conventional products, as well as customized services for specific applications.	For highly standardized products with large demand and high price sensitivity, particularly those targeting customers primarily in China, competing with Chinese companies has proven challenging.
TE Connectivity	Through mergers and acquisitions, the group has integrated numerous well-known relay brands from Europe, the U.S., and Japan. This integration has resulted in strong technological advantages and a global marketing network, further enhanced by a comprehensive portfolio including connector sensor harnesses, providing a distinct integrated marketing advantage.	The group has not invested aggressively enough in relays and has been inflexible in responding to the rapidly evolving and specialized needs of new applications.
OMRON	A globally renowned manufacturer of automation and electronic components, the company has established a comprehensive marketing and service network worldwide. It has continuously innovated in core areas beyond relays, including switches, sensors, automatic control components, robots, medical devices, and artificial intelligence. Its brand advantage in industrial control relays is prominent.	The group's investment in relays lacked sufficient aggressiveness, and as a result, competitors have gradually eroded its market share in certain sectors. Japanese companies tend to be slow in responding to demand for new applications, hindering sustained innovation and product development.
Panasonic	The group possesses substantial resources and offers a diverse product portfolio, ranging from consumer electronic products to critical components for industrial applications. It has established a global sales and service network. Through mergers and acquisitions and close cooperation with	Japanese companies have been slow to react to market changes. Large corporations show little interest in emerging applications with small initial volumes, hindering their ability to respond to new technologies in the market.

Company	Product competition advantages	Product competition disadvantages
	Japanese automakers, the relay business unit has developed a complete product line and was an early entrant into the electric vehicle sector. It is a leading brand in high-voltage DC contactors and holds a large market share.	
Hongfa	Leveraging production capacity and economies of scale, the company has built a diversified product line through merger and acquisition. The brand recognition in China is high, and it has a clear price advantage.	Its quality stability requires further improvement. Most production is based in China, causing difficulties in responding to de-risking from China and growing customer demand for supply chain resilience.
Sanyou	It has reached the economies of scale in production capacity for standardized products, such that it has strong price competitiveness.	Its quality stability requires improvement. An over-reliance on standardized products has resulted in a slow response to new energy trends. With production bases concentrated in China, the company has faced challenges responding to de-risking from China and meeting customer expectations for supply chain resilience.

(III) Technology and R&D Overview

1. Business technical level and R&D overview and direction:

The Company is committed to the development, design, and manufacturing of relay products. To establish long-term competitiveness, we continuously recruit outstanding industry talents and actively pursue the development and innovation of new technologies. In addition to refining existing technologies of precise mechanical design, new materials, and effective utilization of various computer-aided design software, we formulate research projects to address current challenges. These projects include development of technologies to lower heat generation and increase the current load, researches on switching technology to withstand higher voltages in response to steadily increasing voltage levels, researches on vacuum sealing technology to meet the demands of applications exceeding 800VDC, and researches on innovative part manufacturing techniques, in order to realize product design concepts. We have applied for patents to protect the research outcomes. The Company values intellectual property management and protection significantly. As of December 31, 2025, we have obtained 226 patents in numerous countries.

The Company closely monitors trends in science and technology development and market application demands, enhancing the independent R&D capability and internal vertical integration capability. We continue to invest resources in technology and product development, utilizing computer-aided engineering CAE and failure modes and effects analysis FMEA tools to study various work methods and process technology. We also strive to improve and optimize product and process design, enabling the Company to quickly provide customers with complete and flexible solutions and products.

2. R&D personnel and their educational background and experience:

Unit: Persons; %

Educational background	2024		2025		April 30, 2026	
	Number of people	Ratio	Number of people	Ratio	Number of people	Ratio
Master	12	10.43	16	13.33	16	13.33
University/college	71	61.74	73	60.84	72	60.00
High school (including below)	32	27.83	31	25.83	32	26.67
Total	115	100.00	120	100.00	120	100.00

3. R&D expense invested in most recent year and up to the printing date of the Annual Report:

Unit: NT\$ thousands; %

Year	2024	2025
R&D expense	126,497	174,355
Net operating revenue	5,963,714	6,432,803
As a percentage over revenue	2.12	2.71

4. Technology or product developed successfully:

New products developed successfully by the Company in the last five years:

Year	R&D Achievements	Production application type
2021	Low-profile, open-type high-voltage and high-current relay is used in electric vehicle main power and charging control to provide stable high current load switch control within a high voltage range, thereby ensuring the safe operation of the battery system.	Electric vehicle main power and charging control
	Dual-circuit relay is equipped with two independent circuit branches and meets safety switch requirements to provide redundancy protection. It is applicable to safety isolation devices and is equipped with a miniaturized design to save installation space.	Safety switch
	The magnetic latching relay is applicable to smart meter power control and is equipped with a quick-release design that simplifies meter assembly. It is equipped with a backup power switching function and supports voltage monitoring and a safety monitoring terminal power output signal.	Smart electric meter

Year	R&D Achievements	Production application type
2022	The automotive control general-purpose high-current PCB relay is specifically designed for high-current applications in automobiles, including automotive fans, heating, starting, air conditioning, and headlights. Its miniaturized design facilitates integration with the automotive relay box, effectively saving space and weight.	Automotive
	High-current relays for solar and energy storage, designed for high power density applications, and applicable to switch control of centralized solar inverters and energy storage equipment.	Solar inverter and energy storage
	The solar PCB relay is designed specifically for inverter applications in solar systems and is equipped with a miniaturized structure that efficiently controls high-current loads even in limited spaces.	Solar inverter
	High-current PCB relay is applicable to applications of solar energy, EV OBC (on-board charger), mobile charging, and wall-mounted charging. It is able to efficiently control high current load in charging systems, and its miniaturized structure also saves space.	Solar, EV OBC (on-board charger), mobile charging, and wall-mounted charging
	Low-profile open-design medium-low voltage high current relay is used in electric vehicle main power and charging control, providing stable high current load switch control within the medium-low voltage range, in order to ensure the safe operation of the battery system.	Electric vehicle main power and charging control
2023	The EV battery series-parallel control relay is applicable to 400V/800V battery series-parallel control, and it is equipped with an integrated design, capable of effectively simplifying installation and reducing installation costs. Such relay offers high-voltage and high-current resistance, meeting the demands of EV battery management systems.	EV battery series and parallel control
2024	The Ultra-Micro 280 automotive plug-in relay features a low-profile design to save installation space and is specifically designed for various automotive control applications, including fans, heating, starting, air conditioning, and vehicle lights.	Automotive
	The Power mini automotive plug-in relay features a low-profile design to save installation space and is specifically designed for various automotive control applications, including fans, heating, starting, air conditioning, and vehicle lights.	Automotive
2025	400V/800V DC high-voltage sealed relays are widely used in EV main power, battery control, DC fast charge/discharge control, DC charging stations, DC power supply, and energy storage power supplies, in order to ensure safe and stable switch control under high-voltage DC loads.	EV, charging systems, energy storage
	The dual-circuit PCB relays are used in EV OBC (on-board charger) single/three-phase switching, supporting automatic switching between single-phase and three-phase power. Such relays are equipped with the characteristics of high withstand voltage, high current carrying capacity, and low power consumption. The miniaturized structure is advantageous to save PCB space.	Electric vehicle on-board charger (OBC)
	The solar PCB relays are suitable for inverters in solar systems and industrial UPS (uninterruptible power supply) systems. Such relays are equipped with a miniaturized design capable of effectively controlling large current loads in limited spaces.	Solar inverter, industrial UPS (uninterruptible power supply)

Year	R&D Achievements	Production application type
	High-current relays for energy storage are designed specifically for high power density applications and are suitable for charge/discharge bidirectional switching control of ESS (energy storage systems). They are equipped with high current carrying capacity and excellent reliability.	ESS (Energy Storage System)
2026	The next-generation high-power 800V DC charging pile relay is applicable to large-scale fast charging systems, offering high voltage and high current carrying capacity with excellent arc extinguishing performance. It also supports long-term stable operation and features low temperature rise and high reliability, in order to meet the demands of high-efficiency fast charging.	Large-scale fast charging system

(IV) Long-term and short-term business development plans

1. Short-term business development plans

A. Enhance benefits of one-stop service

The Company is among one of the few manufacturers in the market capable of providing one-stop relay service to customers, encompassing the stages of product design and development, automated production equipment development, mold development, parts production, relay assembly, testing and verification, and sales, allowing the Company to provide enhanced product integration and stable quality control. The Company continues to strengthen customer service and increase the proportion of integrated products developed in collaboration with customers, in order to provide comprehensive solutions to customers.

B. Enhance product value by promoting new technology products

In recent years, the Company has developed high-voltage, high current load, low-power, and low contact resistance relay products. The Company has also developed customized and latching relays for liquid-cooled power system applications, in order to provide customers with improved product performance. Consequently, the Company plans to increase the market penetration rate of these products to enhance their value.

C. Continue to expand demand in new energy market

The Company has deeply rooted in the new energy market, and strong demand exists for emerging applications of electric vehicles, charging systems, solar power generation, and energy storage systems. The Company is able to seize new energy market opportunities through collaboration with customers and distributors.

D. Continue to improve product cost and yield

By leveraging existing production equipment, the Company continues to improve process technology to increase production yield and quality stability, and further enhance cost and efficiency.

2. Long-term business development plan

A. Development of new markets and next-generation products

Based on the consideration that major competitors are large corporate groups with the relay business accounting for only a small proportion of their total revenue, and their corporate strategies are unable to focus specifically on the relay business. While these competitors benefiting from their group scale advantages, they tend to have insufficient flexibility and focus, resulting in a gradual decline in their competitiveness, and, in some cases, a spin-off and sale of their relay businesses to investment companies. In contrast, we have consistently focused on and invested in the relay business for years, building a strong brand reputation and a favorable strategic position that allows it to capitalize on the market opportunities created by this shift.

In addition to the comprehensive product lines, the Company continues to develop new products aligned with market trends and the growth of emerging new energy applications and technologies, allowing the Company to lead market entry, to establish a strong market presence, and to gradually expand its market share and enhance the industry position. The Company will continue to strengthen and expand its presence in the new energy market, including energy storage and electric vehicles, and has developed high-current, high-voltage, low-power consumption relays, in order to meet evolving market trends. Furthermore, in response to the automation trend, the Company will develop products suitable for highly automated production models, in order to improve production efficiency and quality consistency.

B. Adapt to new geopolitical trend

The Company has already established a leading position among its main competitors in China with its overseas production sites. Existing production sites in Taiwan, China, Vietnam, India and Mexico are now focusing more on leveraging the unique production advantages of each

location and improving efficiency to maintain cost competitiveness. The Company also considers the establishment of new production sites and plans to extend the automation and management advantages of its Taiwanese facilities to more overseas locations, transforming potential crises related to geopolitical factors and trade protection barriers into opportunities.

C. Enhance R&D capacity

The Company continues to invest in the software and hardware equipment needed for product research and development and testing, in order to enhance the capacity for developing new products and technologies. Through innovative process technology and component production technology, the Company is able to establish entry barriers and to improve the profitability.

D. Key talent cultivation

The Company values talent cultivation and fosters a positive working and learning environment. We have continuously cultivated foundational talent through industry-academia collaboration programs and expanded recruitment efforts to attract senior, high-performing individuals. Furthermore, the Company has organized employee training and development programs to enhance employee career skills, arranging relevant training courses to refine their professionalism and project management skills, thereby enabling mutual growth and success.

II. Market and Production/Sales Overview

(I) Market analysis

1. Main product (service) sales (supply) region

Unit: NT\$ thousands; %

Region \ Year		2024		2025	
		Amount	Ratio	Amount	Ratio
Domestic sales (Note)		431,995	7.24	389,639	6.06
Export sales	U.S.A.	2,185,364	36.65	2,652,310	41.22
	China and Hong Kong/Macau region	2,397,286	40.20	2,219,059	34.50
	Other countries	949,069	15.91	1,171,795	18.22
	Subtotal	5,531,719	92.76	6,043,164	93.94
Total		5,963,714	100.00	6,432,803	100.00

Note: Domestic sales refer to sales to customers in Taiwan.

2. Market share

The Company's major trading partners are all well-known global manufacturers of automobiles, energy storage, industrial and power control systems, located in the United States, Europe, Japan, South Korea, and China. According to a market report issued by the market research firm Orion Market Research, the global relay market scale in 2025 was approximately US\$10,548 million. The Company's revenue in 2025 was NT\$ 6,432,803 thousand, representing approximately 1.96% of the global relay market. In the future, in addition to strengthening customer stickiness to foster closer and more stable upstream and downstream supply chain cooperation, the Company will continue to deepen and expand its presence in the energy storage and electric vehicle sectors, as well as develop high-current, high-voltage, and low-power relays to address future market trends. Accordingly, the Company's future growth outlook is promising.

3. Market future supply and demand status and growth

A. With the vigorous development of electric new energy, new energy vehicles, and 5G communication infrastructure, rising global energy prices are driving the demand for advanced electromechanical relays. As the automation and safety requirements increase for automobiles and various equipment, the relay industry continues to grow. According to research from Orion Market Research, the overall relay market has grown approximately 5.2% CAGR. Notably, sales from the Company's new energy industry already account for more than 50% of its business, and

these high-growth applications are expected to drive the increased growth for the Company.

- B. Some relay competitors that are part of large groups have been reducing their investments and gradually withdrawing from the market, particularly in the automotive industry. On the other hand, the Company has successfully entered the automaker supply chain of major automakers and benefits from its North American manufacturing presence, creating growth opportunities to expand the Company's market share. Under the US-China trade war, products from Chinese competitors and other manufacturers are facing restrictions on export to the United States, and this has also created opportunities for the Company's expansion into the US market.
- C. With the growing adoption of new technologies and the rise of electric vehicles, the demand for relays in electric vehicle and charging applications has also increased. Driven by environmental protection and energy-saving policies worldwide, energy efficiency and environmental regulations have become increasingly strict. Customers are now prioritizing energy-saving and safety needs, and electric vehicle and automotive relays, new energy applications, and energy storage application relays have become the primary dynamics driving the growth of the relay industry. The Company's technological capabilities and focus on product development are aligned with the aforementioned market needs. Presently, the Company has several on-going new projects, and revenue growth is expected to be achieved.

4. Company's competitive niche

With 50 years of accumulated expertise in technology and experience, the Company integrates precision mechanical design, electromagnetic technology, electrical engineering, thermal management, and unique material development and application. Furthermore, with continuously refined customer product application technologies, we continue to create products optimally suited to meet and anticipate evolving market demands, achieved through ongoing product development and close partnerships with key customers.

A. High-level vertical integration

The Company possesses the advantage of high-level vertical integration and maintains close cooperative relationships with leading customers in each region through the nine overseas subsidiaries and sub-

subsidiaries. The Company is able to grasp the latest market dynamics through technical exchange, and has continuously pursued new technologies R&D. By leveraging the Company's highly vertically integrated value chain – encompassing product development, rapid prototyping and testing, advanced product quality planning, process design planning, tooling and automated equipment development, mold design and manufacturing, and in-house parts production, the Company is able to respond to customer needs flexibly and swiftly, thereby establishing differentiation and entry barriers against its peers.

B. High-quality and diverse products

Over years of product development, the Company has established a complete product line, offering comprehensive solutions for industries including automotive, electric vehicles (EVs), solar, power control, automotive charging systems and energy storage systems, providing the advantageous one-stop service to customers, in order to satisfy customer demands comprehensively.

C. Sufficient R&D capability

Most of the Company's R&D team members have extensive experience serving the Company or working in related industries. They have leveraged their industry expertise to complete product design and initial simulation using both software and hardware. The product development process and product reliability testing and verification are conducted by our internal IEC 17025 accredited laboratory. In addition, with our continuous product development capabilities and collaborative approach to new customer projects, has established us as a trusted supplier to major electric vehicle and automotive clients. We also supply products to numerous well-known solar inverter, energy storage, and charging application equipment manufacturers.

D. Quality local services

In response to the geopolitical changes impacting global supply chain dynamics, the Company has established nine overseas subsidiaries. We have deployed professional employees in key markets, including the U.S., Europe, China, Singapore, South Korea, Thailand, and India, to provide direct customer service and maintain close collaboration with leading

regional clients. We offer timely technical discussions and solutions. Additionally, we also have established production facilities in Taiwan, China, Vietnam, Mexico and India, as well as warehouses in major markets, in order to meet diverse customer needs, to improve supply chain resilience, and to mitigate geopolitical risk.

5. Favorable, unfavorable factors for development outlook and responsive strategies

A. Favorable factors

(A) The overall market has experienced stable growth, alongside rapid expansion in the new energy application field.

As relays are key components in automation control and safety protection, the overall market has grown steadily with the increasing automation and intelligence of various types of equipment. Such growth has been particularly strong in the new energy application field, which has significantly outpaced the overall relay market. This is the area where the Company has focused on transforming the business in recent years with notable success. Currently, this sector accounts for over 50% of our business and continues to increase.

(B) High entry barrier

With extensive experience and talent cultivation, the Company is able to establish high-level vertical integration and diversified talent pool, including an experienced R&D team and a portfolio of over 200 patents, alongside expertise in parts mold technology and mass production capability, thereby allowing the Company to obtain high-precision, high-quality parts. This, in turn, also optimizes the automated equipment used for production technology R&D, achieving peak quality and efficiency. The TAF accredited laboratory provides a robust backing for product testing and validation, and can even be leveraged by customers as a valuable service advantage. This empowers the Company's technical team to respond rapidly to market demands and deliver customized products and innovative solutions with a shortened R&D cycle. As the Company has entered the new energy industry early, we are able to successfully develop numerous market-leading non-standardized products from the ground up, gaining adoption from several key clients and gradually

establishing itself as an industry standard.

- (C) Automotive industry characterized by long certification cycles and high customer loyalty

Since automotive electronic products involve passenger safety, the product quality and reliability are more important than those of consumer electronic products. Furthermore, relay products control power systems and require extensive testing and certification by car manufacturers. As customers' test approval and certification processes are lengthy, they have historically been reluctant to change suppliers, resulting in strong relationships with them. By leveraging the rigorous quality management process of the automotive industry, the Company is able to continuously optimize and systematize the R&D management, along with the implementation of advanced product quality planning system, allowing the Company to consistently meet customer expectations for high reliability, excellent durability, and high quality, thereby fostering long-term trust in the Company's products and strong brand recognition.

B. Unfavorable factors

- (A) Rise of the electric vehicle industry in China with intense market competition

As Chinese electric vehicle own brands have driven growth among their local upstream suppliers and entered the international market with a price war to gain market share, such situation has eroded the market share of other electric vehicle manufacturers and has brought competitive pressure on the Company's electric vehicle related products.

Countermeasures:

The electric vehicle consumer market in China is the largest, and intense competition has led some auto makers to engage in price wars, creating a vicious cycle. In view of such situation, the Company has adopted the strategy of focusing on the stable supply of advantageous EV products and selectively expanding new business opportunities in the Chinese market. The Company has also allocated more resources to collaborations with leading manufacturers in Europe, the U.S., and Japan, whose technological advantage and

innovative styles facilitate the development of more innovative ideas and better technical solutions with customers. By developing several miniaturized high current density relays that meet market demand, the Company provides customers with products optimized for both quality and cost, enabling the Company to secure more orders from international brands and improve its brand benefit.

- (B) New energy product market develops rapidly, and maintaining competitive advantage is crucial

In recent years, the global energy transition has accelerated, and renewable energy has played an increasingly important role. Clean energy technologies of solar and wind power have matured rapidly, and the costs have continued to fall, leading to a year-over-year increase in their share of power generation. Countries worldwide have set carbon reduction targets and are undertaking energy structure transformation to address the challenges of climate change. As the market growth potential of new energy products gradually becomes clearer, competition has increased. While the Company has some patent protection, competitors have also been innovating to gain market share. The Company must therefore strive to maintain its competitive advantage with best effort.

Countermeasures:

The Company began transforming and entering the new energy market as early as 2010, encompassing electric vehicles, charging systems, solar, and energy storage systems. The Company has fully benefited from the early market dividends. After years of development, the Company has gradually expanded the business operations. As of 2025, new energy product sales proportion has exceeded 50%. In recent years, to address price competition from new market entrants, the Company continues to invest in process improvement and the enhancement of automation technology to reduce manufacturing cost and optimize product quality. Furthermore, by leveraging accumulated experience with existing products, the Company has introduced higher-level products with a higher technical threshold through technological innovation, thereby enhancing customer trust and brand value, and maintaining

competitive advantages.

(C) Uncertainty associated with international trade war and tariffs

The tariff trade barriers initiated by the US government have disrupted the existing free-trade system. Given the uncertainty surrounding tariff policy, there are concerns that this will affect the overall global economy and, consequently, the Company's mid-term and long-term operations and development.

Countermeasures:

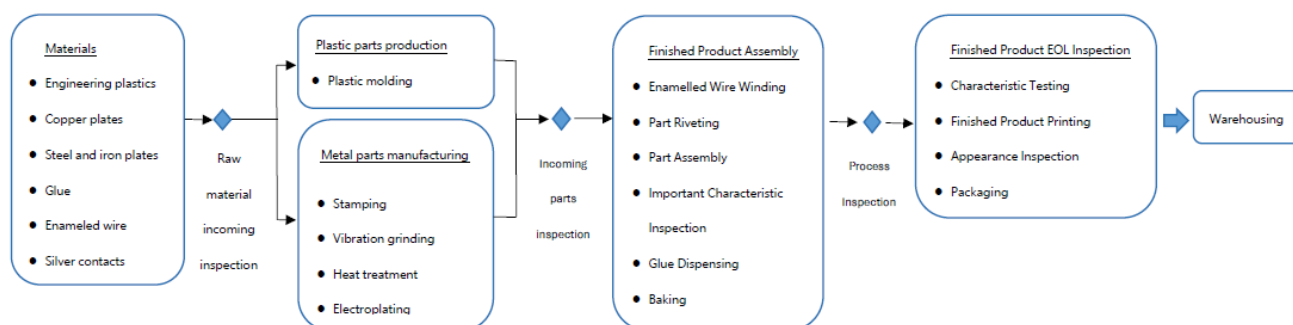
In addition to closely monitoring the progress of negotiations between various countries and the US government, as well as developments in the global economy, the Company leverages its global manufacturing footprint in Taiwan, China, Vietnam, India and Mexico. The Company is actively discussing flexible production adjustments with customers based on their order needs, in order to mitigate the impact of tariffs. Furthermore, through strategies of customer diversification, application diversification and origin diversification, the Company is able to seize export customers' orders from the Chinese competitors. In addition to the U.S. market, the Company has been focusing on the development of the European market in recent years. Relevant products have received customer certification, and the impact of tariff trade wars and geopolitical uncertainty on the Company is expected to be effectively reduced as the customers' orders increase gradually.

(II) Key purpose and manufacturing process of main products

1. Purpose of main products

Main products	Purpose
Relays	Relays are automatic control switch components, electromechanical components that use a small current (signal) to control a large current (power). In addition, relays are indispensable devices in circuits, providing functions such as switching, safety protection, and circuit mediation.

2. Manufacturing process



(III) Primary raw material supply status

The main raw materials used in the Company's products include contact points, copper strips, enameled wires and plastic pellets. The Company has established long-term relationships with the key raw material suppliers, in order to ensure stable supply and to prevent any shortages or disruptions to date.

Key raw material	Supply status
Contact point	Good
Copper strip	Good
Enameled wire	Good
Plastic pellets	Good

(IV) Information on main suppliers/customers of purchase/sales in the most recent two years

1. Name of suppliers accounted for more than 10% of total purchase amount of the Company in any one of the most recent two years and the purchase amount and ratio thereof, and please explain the reason of changes thereof:

Unit: NT\$ thousands; %

Year	2024				2025			
Item	Name	Amount	As a percentage to whole-year net purchase	Relationship with the issuer	Name	Amount	As a percentage to whole-year net purchase	Relationship with the issuer
1	Company C	331,676	11.47	None	Company C	594,504	18.40	None
2	Others	2,560,529	88.53	None	Others	2,635,852	81.60	None
	Net purchase amount	2,892,205	100.00	-	Net purchase amount	3,230,356	100.00	-

Reason of increase/decrease change: The Company mainly purchases contact materials from Company C for relays, switches and other components. We have maintained a good and stable relationship with Company C for many years. Purchases from Company C have grown annually, particularly in 2025, driven by increased sales and a corresponding rise in the purchase volume of

production raw materials.

2. Name of customers accounted for more than 10% of total sales amount of the company in the last two years or in any year and the sales amount and ratio thereof, and please explain the reason of changes thereof:

Unit: NT\$ thousands; %

Year	2024				2025			
Item	Name	Amount	As a percentage to whole-year net sales	Relationship with the issuer	Name	Amount	As a percentage to whole-year net sales	Relationship with the issuer
1	Company A	880,391	14.76	None	Company A	992,807	15.43	None
2	Group B	763,459	12.80	None	Group B	797,740	12.40	None
3	Others	4,319,864	72.44	None	Others	4,642,256	72.17	None
	Net sales amount	5,963,714	100.00	-	Net sales amount	6,432,803	100.00	-

Reason of increase/decrease change: Sales to Company A and Group B in 2025 has showed year-over-year growth, which was mainly driven by increased sales of electric vehicles, energy storage, and charging systems, resulting in higher relay sales in the new energy sector.

- III. Number of employees in the last two years and the number of employees, average service year, average age and educational level distribution ratio up to the printing date of the annual report

Unit: Persons; Age; Year; %

Year		2024	2025	Up to April 30 for 2026
Number of employees	Direct employees	1,267	1,347	1,343
	Indirect employees	720	910	924
	Total	1,987	2,257	2,267
Average age		38	43	43
Average years of service (years)		7.5	6.9	7.1
Education background distribution ratio	Ph.D.	—	—	—
	Master	1.46	1.42	1.41
	Bachelor	31.35	30.48	29.78
	High school (inclusive) or below	67.19	68.10	68.81

- IV. Information on Environmental Protection Expense

- (I) The losses resulting from the environment pollution in previous year and up to the Annual Report printing date (including the compensation and the item breaching the Environmental Protection Act as revealed by the environmental protection audit result, indicating the disposition date, disposition document number, statutory clauses offended, content of regulations offended and content of disposition). Please also

disclose the estimated amount that may occur at present time and in the future as well as the responding actions. If the losses cannot be estimated reasonably, please explain the fact that cannot be reasonably estimated: For the most recent year and up to the printing date of the annual report, the Company has not suffered losses due to the environment pollution.

V. Labor-management relationship

(I) The Company's various employee welfare measures, advanced education, training, and retirement systems and their implementation status, as well as the agreements between labor and management and various employee rights protection measures:

1. Employee welfare measures and implementation status

Item	Content
Health examination	Provide free employee health examination once annually
On-site physician and nurse	Health consultation services for employees
Employee cafeteria	Free lunches for employees
Employee travel	Periodic organization of domestic and overseas employee travel
Activities	Family days, annual dinners, Christmas events
Gym and relaxation space	Fitness and relaxation facilities for employees
Breastfeeding room	Comfortable and secure exclusive spaces for employees
Dormitory	Accommodations for business trips and foreign employees
Insurance	Group insurance and business travel accident insurance
On-the job continuing education	On-the-job training for employees according to their functions
Contracted stores with special offers	Discounts and preferential offers from contracted stores for living, medical care and restaurant as well as childcare programs for employees

The Company has established the Employee Welfare Committee, and provides employee welfare measures. Employees are the Company's most valuable assets. We carefully cultivate, care and support each employee while fostering a balanced approach to their professional and personal lives, including

leisure activities.

2. Continuing education, training and implementation status

To support the Company's strategic development goals, to enhance employee professional and technical capabilities, to strengthen work efficiency, and to emphasize product quality, the Company has provided a variety of learning methods and channels, such as: corporate internal training, domestic and overseas training, overseas internships, and on-the-job training and continuing education.

Item	Content
New employees	During the report-to-work day, orientation is organized for new employees to provide information on the corporate culture, organizational history, business philosophy, quality policy, environmental policy, ISO 14001, RoHS green product requirements, quality audit system, occupational safety and health policy, ISO 45001, the Company's commitment to RBA guidelines, work rules, employee benefits, precautions and introduction to the work environment, in order to ensure that new employees are able to establish basic understanding on the Company.
On-the-job training	On-the-job training is organized to develop employees' professional skills, knowledge, and management abilities.
Job rotation	Job rotation is designed to assist employees with their career development, encourage exploration and learning, and offer cross-departmental or intra-departmental transfers, in order to broaden perspectives and build professional skills.
Others	In addition to internal courses, employees have access to online courses, on-site education, external training and on-the-job continuing education, as well as opportunities to obtain the various licenses required for the job.

3. Retirement system and implementation status

The Company offers a comprehensive retirement plan to employees, thereby ensuring their financial security after retirement. The Company contributes to employee pension funds in accordance with the Labor Standards Act, the Labor Pension Act and applicable local regulations, and participates in the National Pension Insurance Program. Employees are eligible to apply for retirement benefits after a certain period of service, as stipulated by law, in order to secure their basic living needs.

For foreign employees of the Company under the old labor pension system, a pension reserve fund has been contributed monthly equal to 2% of the employee's total salary and deposited into a labor pension reserve fund account at the Bank of Taiwan. For those under the new labor pension system, a pension contribution is made monthly equal to 6% of the employee's total salary and is deposited into their individual labor pension account at the Bureau of Labor Insurance.

Overseas subsidiaries contribute to pension plans in accordance with the local laws.

4. Labor management agreement and various employee benefit protection measures status

The Company values its employees' rights and interests. Labor-management relations are harmonious, and employees are able to share feedback through open communication channels, in order to foster a positive relationship between labor and management.

The Company also coordinates communication between labor and management through quarterly labor-management meetings, migrant worker monthly meetings, and meetings with various unit supervisors.

The Company has established an employee suggestion box and personnel email. Employees can use these channels or through the Employee Welfare Committee and labor meetings to advocate for and protect their rights and interests.

Item	Content
Employee complaint mailbox (physical and email)	A dedicated communication channel has been established for internal employees, with a designated contact person responsible for direct communication, allowing colleagues to submit complaints and report unlawful acts, including cases related to sexual harassment and other forms of illegal infringement.
Labor-management meetings	According to the Regulations for Implementing Labor-Management Meeting issued by the Ministry of Labor, labor-management meetings are held regularly each quarter. Representatives from both labor and management attend these meetings to discuss labor-related issues, employee benefits, and other relevant matters, in order to achieve

Item	Content
	harmonious communication and discussion between employers and employees through a negotiation mechanism.
Migrant worker monthly meetings	Communicate with international colleagues about job and living related matters monthly or as needed.

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

Date of disposition	Disposition No.	Violated clauses	Content	Disposition content
2025/2/7	Fu-Lau-Tzu-Zi No. 1140029407	Paragraph 2 of Article 32 of the Labor Standards Act	On January 7 and January 17, 2025, personnel from the Chiayi County Government Department of Labor and Youth Affairs conducted a labor inspection on the Company. The inspection of the Company's attendance cards, pay slips, and related records for October to December 2024 revealed that employees Mr. Lin and Mr. Liao had worked overtime and violated the provision of Paragraph 2 of Article 32 of the Labor Standards Act. Consequently, an administrative fine of NT\$50,000 was imposed in accordance with Paragraph 1 of Article 79 of the same Act.	Administrative fine of NT\$50,000

Countermeasures: The Company has consistently prioritized labor-management relations and has established a harmonious working environment. To ensure ongoing two-way communication and exchange, the Company regularly convenes labor-management meetings each quarter to maintain open communication channels and facilitate the sharing of feedback. Additionally, the Company provides employees with year-round communication platforms, including employee suggestion boxes and personnel email, allowing employees to submit concerns anonymously or by name for prompt and effective resolution, thereby building and sustaining positive labor-management relations.

The Company consistently communicates the attendance and

Date of disposition	Disposition No.	Violated clauses	Content	Disposition content
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overtime regulations of the Labor Standards Act to department heads, in order to prevent rushed production from impacting rest periods. The Company also requires unit managers to monitor employee well-being and distribute workloads to avoid fatigue when facing tight orders, and prohibits mandatory overtime. Furthermore, the Company participated in various recruitment events hosted by the New Taipei City Government and employment service stations, and applied for 112 foreign workers who had reported to work by the end of March 2025 completely. In addition, we have increased the level of production line automation to improve the labor shortage.

VI. Cyber security management

(I) Please describe the cyber security risk management architecture, cyber security policy, specific management solution and resources invested in cyber security management

1. The Company has established information safety policies, internal control systems, and related information safety management procedures for information safety management. A dedicated information safety management organization is responsible for business promotion and implementation to ensure the appropriate protection of the company's information assets and the confidentiality, integrity, and availability of information.

(1) Cyber security risk management architecture:

Regarding the planning, promotion, evaluation, and audit of information security management matters, the company designates the Information Management Center as the responsible unit and sets up one designated information security supervisor and one designated information security officer, who are responsible for regularly reviewing whether the information security management policy meets the business needs of the Company, as well as promoting and implementing the policy, with supervision from managers at the level of Vice President or above.

The Company's cyber security dedicated unit holds meetings annually to discuss and review cyber security risk assessments and planned improvements. In 2025, a total of 1 meeting was held, and on December 22, 2025, the unit reported the information safety management performance for that year to the Board of Directors.

(2) Cyber security policy and management execution scope:

Establish an appropriate Information Safety management system to

ensure the confidentiality, integrity, and availability of the Company's information assets, strengthen employees' awareness of Information security, manage information equipment and network systems, and prevent information assets from being damaged or improperly used. In case of emergencies, take necessary response actions swiftly, and restore normal operation in the shortest time possible to minimize potential damages from incidents.

Cyber security management execution scope:

- A. Development and implementation of information security policies.
- B. Information security organization operation and execution.
- C. Information security promotion and educational training.
- D. Importance of information assets and identification of cyber security risks.
- E. Communication security management.
- F. System access control.
- G. Security management for system development and maintenance.
- H. Environmental security.
- I. Information security incident reporting and response (including emergency response measures).

(3) Specific management plan

- A. Clearly define the cyber security related control system to regulate the use of information assets and ensure that behaviors comply with the requirements of the system.
- B. All information assets are equipped with system accounts that can be identified by users and necessary permission management. Unauthorized access is blocked to ensure the confidentiality of information assets. At the same time, relevant operating procedures are established to regularly review user accounts, privileged accounts, and their permissions.
- C. Passwords for user accounts must have a different default password applied each time a new account is issued. At the same time, restrictions should be placed on password length, minimum and maximum characters, and automatic lockout after multiple login failures to enhance the security of user accounts.

- D. Set up application firewall architecture, control user behavior and permissions, implement intrusion detection and defense capabilities in the firewall, and include virus defense, spam defense, and malicious link defense mechanisms. Also, keep necessary monitoring logs for management and audit purposes.
- E. Set up anti-virus systems with a central control platform and endpoint protection mechanisms to ensure the continuous updating of defense capabilities of information assets and compliance with cyber security policies. In the event of a cyber security incident, promptly identify the scope of impact and address the situation to ensure the availability of information assets and analyze the actual defense situation.
- F. Set up an active email defense system, automatically obtain the latest attack methods information and defense capabilities, resist targeted attacks (APT), spear phishing attacks, malware, phishing attacks, spam, and advertising emails, effectively reducing the loss of information assets and sensitive data.
- G. Set up a necessary data backup system so that when important information assets undergo abnormal situations, data recovery plans or asset backup work can be implemented through the data backup system. Provide availability of information assets.
- H. Regularly review whether system providers, maintainers, administrators, data owners, general users, or relevant personnel comply with Information security policies and related regulations.
- I. Irregular information security promotion is conducted to enhance employees' awareness of information security.
- J. Introduce external cyber security exercise services to verify the ability to defend against external cyber security attacks and continuously strengthen cyber security defense capabilities.
- K. Control the entry and exit of personnel in the area where important information assets are located, and monitor the security control of the environment.
- L. Always pay attention to security vulnerability notices and patch high-risk vulnerabilities in a timely manner.

(4) Resources invested for cyber security management:

- A. Join the Global Cyber Security Operations Center (SOC) to quickly obtain threats and vulnerabilities to various information assets in use, and perform necessary defense work.
- B. Continuously invest resources to ensure that the software and hardware of the company's various information assets can obtain updates to address vulnerabilities and threats.
- C. Cyber security policy:
 - (A) In February 2025, the Company revised the cyber security policy and issued public announcement.
- D. Cyber security awareness:
 - (A) In February and April 2025, the Company announced and promoted cyber security awareness to all employees.
- E. Education and training:
 - (A) In December 2025, a total of 13 person-times completed the Cyber Security Social Engineering Education and Training Course.
- F. Certification:
 - (A) Initiated the implementation of the ISO 27001 Information Security Management System in December 2025.

- (II) For the most recent year and up to the publication date of the annual report, any loss due to major information security events, possible impacts and countermeasures. If it cannot be reasonably estimated, explanation of facts for such failure of reasonable estimation shall be described: For the most recent year and up to the printing date of the annual report, the Company has not experienced any major cyber security incidents.

VII. Important Contracts

Nature of contract	Contracting parties	Contract starting and end date	Main content	Restrictive covenants
Bank loan	Taiwan Business Bank Ltd.	2022/09/13-2029/09/13	Comprehensive credit extension contract	-
Bank loan	Taiwan Business Bank Ltd.	2022/11/15-2029/11/15	Comprehensive credit extension contract	-
Bank loan	Taiwan Business Bank Ltd.	2025/07/28-2026/07/28	Comprehensive credit extension contract	-
Bank loan	E.SUN Bank	2025/07/08-2026/07/08	Comprehensive credit extension contract	-

Nature of contract	Contracting parties	Contract starting and end date	Main content	Restrictive covenants
Bank loan	DBS Bank	2025/08/01-2026/07/31	Comprehensive credit extension contract	-
Bank loan	Standard Chartered Bank	2025/11/30-2026/11/30	Comprehensive credit extension contract	-
Bank loan	Song Chuan (Xiamen) Precision Electron Co., Ltd. and E.SUN Bank (China)	2025/09/26-2026/08/20	Comprehensive credit extension contract	-
Bank loan	Song Chuan (Xiamen) Precision Electron Co., Ltd. and Taiwan Business Bank Ltd. Wuhan Branch	2023/12/26-2028/12/26	Comprehensive credit extension contract	-
Bank loan	Song Chuan (Xiamen) Precision Electron Co., Ltd. and Taiwan Business Bank Ltd. Wuhan Branch	2026/02/10-2027/02/10	Comprehensive credit extension contract	-
Factory lease contract	Song Chuan (Xiamen) Precision Electron Co., Ltd. and Xiamen Song Chuan Precision Co., Ltd.	2026/01/01-2038/12/31	Lease factory facility from Xiamen Song Chuan Precision Co., Ltd.	-
Factory lease contract	Song Chuan (Xiamen) Precision Electron Co., Ltd. and Zonic Enterprise Co., Ltd.	2026/01/01-2038/12/31	Lease factory facility from Zonic Enterprise Co., Ltd.	-
Office right-of-use lease contract	Choi pilsin	2026/01/01~2027/12/31	Song Chuan Korea Co., Ltd. Entered in the office right-of-use contract with its President	-

Five. Review and Analysis of Financial Status and Financial Performance and Risk Management

I. Financial Status

Unit: NT\$ thousand

Item \ Year	2024	2025	Difference	
			Amount	Percentage
Current assets	5,708,221	6,172,536	464,315	8.13
Property, plant and equipment	3,401,997	3,503,581	101,584	2.98
Intangible assets	20,484	17,471	(3,013)	(14.70)
Other assets	550,813	880,562	329,749	59.86
Total assets	9,681,515	10,574,150	892,635	9.21
Current liabilities	3,099,682	2,982,353	(117,329)	(3.78)
Non-current liabilities	1,584,071	1,667,878	83,807	5.29
Total liabilities	4,683,753	4,650,231	(33,522)	(0.71)
Capital	726,160	797,460	71,300	9.81
Capital surplus	2,823,780	3,593,144	769,364	27.24
Retained earnings	1,441,866	1,516,755	74,889	5.19
Other equity	18,616	13,773	(4,843)	(26.01)
Former owner of business combination under common control	0	0	0	0.00
Non-controlling interests	(12,660)	2,787	15,447	122.01
Total shareholders' equity	4,997,762	5,923,919	926,157	18.53
Reason of change: (For those with a change of over 20% in the most recent two years, and the amount of change reaches NT\$10 million)				
I. Other assets: The increase during the current period was mainly due to an expansion of the leasing scope and an extension of the lease term at the Mexico plant, resulting in higher right-of-use assets and security deposits paid, and leading to an overall increase in other assets.				
II. Capital surplus: Capital surplus increased during the current period as a result of a cash capital increase.				
III. Non-controlling interest: The increase in non-controlling interest resulted from the participation of non-controlling interests in a capital increase of the Company's Indian subsidiary.				

II. Financial Performance

Unit: NT\$ thousands; %

Item \ Year	2024	2025	Increase (decrease) amount	Change ratio
Operating revenue	5,963,714	6,432,803	469,089	7.86
Gross profit	1,653,733	1,739,635	85,902	5.19
Operating profit	538,527	466,993	(71,534)	(13.28)
Non-operating revenue and expense	108,967	(109,806)	(218,773)	(200.76)
Net income before tax	647,494	357,187	(290,307)	(44.83)
Income tax expense	151,166	87,634	(63,532)	(42.02)
Net income for the current period	496,328	269,553	(226,775)	(45.69)
Other comprehensive income of the current period	54,967	(5,636)	(60,603)	(110.25)

Item \ Year	2024	2025	Increase (decrease) amount	Change ratio
Total comprehensive income of the current period	551,295	263,917	(287,378)	(52.12)
I. Reason of change: (For those with a change of over 20% in the most recent two years, and the amount of change reaches NT\$10 million) (1) Non-operating income and expenses: Net non-operating income and expenses decreased during the current period, mainly due to exchange losses increase as a result of the rapid appreciation of the NTD in the second quarter. (2) Profit before tax: Profit before tax decreased during the current period due to a decrease in net non-operating income and expenses. (3) Income tax expense: The decrease during the current period reflected a lower profit before tax, resulting in a decrease of income tax expense. (4) Net income for the current period: The decrease during the current period was mainly due to the decrease of net non-operating income and expense. (5) Other comprehensive income for the current period: Exchange differences arising from exchange rate fluctuations caused a decrease in equity, resulting in a decrease in other comprehensive income for the current period. (6) Total comprehensive income for the current period: The decrease during the current period was mainly due to the decrease in the net income and other comprehensive income during the current period. II. Expected sales volume and basis thereof, and the possible impact on the future financial business of the Company and responsive plan: The expected sales volume is reasonably estimated based on the Company's business plan, market demand forecast, industrial competition, customer consumption overview, and the Company's production capacity. The Company anticipates a stable growth trend in performance, which is expected to have a positive impact on the Company's financial results.				

III. Cash Flow

1. Analysis of changes in cash flow in the most recent year (2025)

Unit: NT\$ thousands; %

Item \ Year	2024	2025	Increase/decrease ratio
Net cash flows from operating activities	769,736	431,461	(43.94)
Net cash flows used in from investing activities	(529,665)	(498,426)	5.89
Net cash flows from (used in) financing activities	(410,494)	270,335	165.85
Analysis of cash flow change status: (1) Cash inflows (outflows) from operating activities: Cash inflows decreased in 2025 due to exchange losses resulting from foreign currency exchange rate fluctuations and increased ending inventory compared to the previous period, coupled with expected performance growth. (2) Cash inflows (outflows) from investing activities: In 2025, geopolitical factors has led the Company to focus on adjusting existing production lines. Consequently, expenditures on property, plant, and equipment decreased, resulting in lower cash outflows from investing activities. (3) Cash inflows (outflows) from financing activities: Cash inflows resulted from the cash capital increase in 2025.			

2. Improvement plan for insufficient liquidity: The Company is not subject to any insufficient liquidity.

3. Cash liquidity analysis for the next year (2026):

Unit: NT\$ thousand

Cash at the beginning of the period Balance①	Expected annual net cash flow from operating activities②	Expected annual net cash flow from investing and financing activities③	Cash surplus (deficit) amount ①+②+③	Remedial measures for expected cash flow deficit	
				Financing plan	Financial management plan
2,142,454	705,405	(861,327)	1,986,532	Not applicable	Not applicable
I. Analysis of current year cash flow change: (1) Operating activities: Sales income growth with net cash inflow from operating activities in 2026 is expected. (2) Investment and financing activities: Cash outflow from investment activities resulted from expected capital expenditures, and cash outflow from financing activities resulted from dividend distribution and repayment of borrowings. Investment and financing activities resulted in net cash outflow. II. Expected cash deficiency amount remedies: Since there is no expected cash deficiency, this is not applicable.					

IV. Effect of major capital expenditures on financial operations in the most recent year

The Company's significant capital expenditure in the most recent year was due to the Company's long-term production strategy and was primarily funded by operating funds and bank financing, without material impact on the Company's financial operations.

V. Investment policy for the most recent year, main causes of profits or losses, improvement plans and investment plans for the next year

(I) Investment policy:

The Company's investment policy is based on considerations of sustainable operations and operational growth. In accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the competent authorities, the Company has implemented "Procedures for Acquisition and Disposal of Assets" and utilizes the "Investment Cycle" as the basis for the Company's investment decisions, in order to monitor the relevant business and financial status. In addition, the Company continuously keeps abreast of the operational status of investee companies, in order to understand their financial and business conditions, facilitating the decision-making body's post-investment management tracking and evaluation.

(II) The main reasons for investment profit or loss for in the most recent year and improvement plan:

Unit: NT\$ thousand

Investment business	2025 investment profit (loss)	Main reasons for profit or loss	Improvement plan
Song Chuan Precision Americas, Inc.	28,691	Revenue increased due to the increased demand from new energy customers, resulting in higher profits.	-

Investment business	2025 investment profit (loss)	Main reasons for profit or loss	Improvement plan
Song Chuan Precision Europe GmbH	(17,725)	The recovery of orders affected by dumping of low-priced solar inverters from China has not yet materialized. Furthermore, a lack of new projects has contributed to ongoing losses.	Continue to develop new energy and automotive clients and strive to expand our European client base, in order to improve business scale, and to improve profitability through adjustment of sale prices to reflect costs.
Song Chuan Precision UK Ltd.	0	-	-
Song Chuan Singapore Pte. Ltd.	10,002	Increased demand from industrial control and new energy customers has driven the revenue growth and higher profits.	-
Song Chuan Korea Co., Ltd.	(515)	Revenue increased as orders recovered this year following a decrease last year due to production quality issues with clients. However, the increase of raw material prices and stronger US dollar have increased import costs, resulting in losses.	In addition to developing new projects and strengthening relationships with existing clients to grow revenue, we have adjusted selling prices to reflect costs and to improve profitability.
Song Chuan Automotive Parts (India) Private Limited.	(7,249)	The operating loss was due to the increase of raw material costs and the fact that economies of scale have not yet been achieved.	Continue to develop new cases and strengthen relationships with existing clients, while adjusting prices to reflect costs, in order to increase business scale and to improve profitability.
Song Chuan (Thailand) Co., Ltd.	558	Continue to secure the existing customer base to maintain profitability.	-
Song Chuan (Xiamen) Precision Electron Co., Ltd.	(30,772)	In addition to intense price competition from domestic competitors in China, the Company also suffered losses due to the increase of raw material costs.	Develop new projects and strengthen relationships with existing customers. Increase the proportion of new energy products to optimize the product mix, and improve profitability by adjusting prices to reflect costs, along with continued expense control.
Shanghai Song Chuan Precision Electron Co., Ltd.	21,116	Consolidating existing customers and continued development of new energy markets drove profits.	-

(III) Investment plan for next year:

In the coming year, the Company's investment plans will be aligned with the long-term development strategy, focusing on investments related to the core business. The Company will also continue to monitor and manage existing investee companies to achieve its investment goals.

VI. Risk items in the most recent year to the date of printing of this Annual Report requiring analysis and assessment include the following items

(I) Impact of interest rate, exchange rate fluctuation and inflation condition on the profit/loss of the company and future countermeasures

1. Changes in interest rate

The Company and its subsidiaries reported interest revenue of NT\$29,531 thousand and NT\$31,513 thousand in 2024 and 2025, respectively, representing 0.50% and 0.48% of net operating revenue. Interest expense for 2024 and 2025 was NT\$77,097 thousand and NT\$66,833 thousand, respectively, accounting for 1.29% and 1.03% of net operating revenue. In general, interest income and interest expense are not material as a percentage of net operating revenue; therefore, changes in interest rates have no significant impact on the Company.

The Company and subsidiaries continuously monitor and analyze the impact of financial market interest rate fluctuations on the cash flow of all interest-bearing liabilities. We also maintain strong relationships with banks and regularly assess the potential interest rate risk associated with these liabilities, in order to mitigate the effect of interest rate changes on our profitability.

2. Changes in exchange rate

The Company and subsidiaries reported net foreign currency exchange (loss) gain of NT\$134,100 thousand and NT\$(111,129) thousand for 2024 and 2025, respectively, representing 2.25% and 1.72% of net operating revenue. These amounts have no material impact on the profitability of the Company and subsidiaries.

The Company and subsidiaries mainly sell products in the Americas and Asia, with transactions priced mainly in USD and RMB. Currently, the Company and subsidiaries employ a natural hedge to reduce the hedging needs. To mitigate exchange rate fluctuation risk, the Company continuously strengthens its management of exchange rate volatility, proactively collecting information on exchange rate changes and closely monitoring exchange rate

trends. When it is considered appropriate, we also undertake foreign currency conversion measures to address risks arising from exchange rate fluctuations and minimize their impact.

3. Inflation

The Company and subsidiaries maintain close and positive relationships with suppliers and customers, and closely monitor fluctuations in raw material prices. Copper is a key raw material, and significant changes in copper prices can affect material costs. Accordingly, in addition to making timely adjustments to sales prices, the Company and subsidiaries makes early purchase when copper prices are high, track raw material market trends, and continually adjust procurement strategies and trading terms to mitigate the impact of copper price volatility and reduce the effects of inflation. Up to the present day, the Company's and subsidiaries' operations have not been materially affected by inflation.

- (II) Policies on engaging in high risk, high leverage investments, loaning funds to others, endorsement and guarantee as well as derivative transactions, main causes of profit and loss as well as future countermeasures

The Company and subsidiaries focus on core business operations and maintain a prudent and conservative financial policy. In the most recent year and up to the printing date of the annual report, the Company and subsidiaries have not engaged in high-risk and high-leverage investments. The Company has also established sound financial and operational internal management regulations and operating procedures, including the "Regulations for Fund Lending to Others", the "Regulations for Endorsement and Guarantees for Others," and the "Procedures for Acquisition and Disposal of Assets", all of which have been approved by the shareholders' meeting. In case where relevant operations are required due to business needs, all operating procedures and transaction conditions will be implemented in accordance with these regulations and applicable laws and regulations.

- (III) Future R&D plan and expected investment in R&D expenses

1. Future R&D plan

The Company closely monitors technological development trends and market application needs, and continues to invest resources in technology and product development in line with the Company's independent R&D capability. In the future, the Company will continue to strengthen its expansion into the

energy storage, electric vehicle, and other new energy markets, and will develop high-current, high-voltage, and low-power relays and other products to meet evolving market trends. The Company's future R&D direction is described in the following:

Application field	R&D direction explanation
Automotive	Mainstream auto makers have continued to move toward miniaturization and increased power for junction boxes and power distribution units (PDUs). They have also optimized existing products and adjusted product designs to meet customer needs, resulting in the development of even smaller, lower-power, and more reliable relay products.
Industrial control	In response to increasing demand for server power and density, we will continue to develop miniaturized, low-power, magnetically-held relay products, and will also develop relay products for liquid-cooled power system applications.
Solar energy/energy storage	Responding to the trend of high-power equipment, we will continue to focus on product development of relays for high-voltage, high-current load applications of 400A 1000VAC and above, with an emphasis on low power consumption and low contact resistance.
EV/Charging related	We will continue to develop 250A to 500A 800 to 1000 VDC DC high-voltage relays, and will develop and optimize relay products integrating functions of on-board chargers (OBC), vehicle-to-everything (V2X), and the North American Charging Standard (NACS).

2. Expected investment in R&D expenses

The Company's R&D team focuses on market and customer needs and actively collaborates with customers to develop innovative products. The R&D expenses for 2024 and 2025 were NT\$126,497 thousand and NT\$174,355 thousand, respectively, representing 2.12% and 2.71% of net operating revenue. The Company will continue to invest in the R&D of new products, developing high-quality molds to produce high-quality components, improving equipment automation, and reducing operational risks associated with reliance on manpower, thereby enhancing the Company's market competitiveness. R&D expenses for 2026 are projected to be approximately NT\$201,407 thousand.

(IV) Impacts of domestic/foreign important policies and changes of laws on the financial business of the company and countermeasures

The Company and subsidiaries conduct operations in compliance with applicable laws and regulations, closely monitoring domestic and international policy developments and regulatory changes. We also consult with relevant professionals and gather information to inform management's decision-making, allowing the management to fully understand and respond to market environment change properly. For the most recent year and up to the printing date of the annual report, the financial

business of the Company and subsidiaries has not been subject to material impact due to domestic/foreign important policies and changes of laws.

(V) Impacts of changes in technology (including cyber security risk) and industry on the financial business of the Company and countermeasures

The Company and subsidiaries primarily operate in the global relay market. Since the establishment, the Company has consistently monitored industry trends and competitor activity, closely observing changes in the sector and collaborating closely with customers to deliver product solutions and services. We will also continue to invest in research and development of new applications to increase production value and enhance customer satisfaction, thereby securing a competitive advantage. In the most recent year and up to the printing date of the annual report, there have been no significant technological or industry shifts materially affecting the Company's financial performance.

The Company and subsidiaries place a high priority on information security management. To enhance data protection and the security of equipment use, and to strengthen information security awareness among employees, the Company has proactively established relevant information security management measures and has conducted risk assessments, in order to prevent information security incidents that may damage service quality and corporate reputation, and indirectly protect shareholders' rights and interests. The main response measures taken to control information security risks are described in the following:

- (1) For the management of information and communication security, the Company has established the information security policy, internal control systems, and information security management operation procedures. A dedicated cyber security management organization has been set up to be responsible for business promotion and implementation, in order to ensure that all information assets of the Company are properly protected and that the confidentiality, integrity and availability of information are maintained.
- (2) The Company enhances employee information security awareness through irregular training and education, and improves overall security consciousness, in order to reduce risks associated with unsafe practices.
- (3) We regularly monitor security vulnerability notifications and conduct real-time patching for high-risk vulnerabilities to reduce and avoid relevant information security risks.

- (4) We also set up relevant information security protection software and hardware, such as antivirus software, application firewall architecture, and proactive email defense system, in order to provide security for the Company's daily operations and management.
 - (5) All information assets are provided with system accounts for identifying users and necessary access rights management. Unauthorized access is prevented to ensure the confidentiality of information assets. Relevant operating procedures are established to regularly review user accounts, privileged accounts and their permissions, in order to prevent the risk of confidential data leakage.
 - (6) Information and communication security inspection and control operations are incorporated into the annual audit plan, and auditors conduct annual audits to understand the status of information security operations and evaluate whether the control of various risks and the improvement of abnormalities were implemented effectively, in order to reduce and avoid related information security risks.
- (VI) Impacts of corporate image change upon corporate crisis management and countermeasures

Compliance with laws and regulations, commitment to the rights and interests of employees and shareholders, and fulfillment of corporate social responsibilities are fundamental obligations of the Company and subsidiaries. In the event of emergency, senior executives of the Company and subsidiaries serve as conveners and immediately establish a crisis response team to quickly resolve corporate crises. Up to the printing date of the annual report, the Company and subsidiaries have not experienced any corporate crisis management incidents due to major changes in the corporate image.

- (VII) Expected benefit, possible risk and countermeasure for merger and acquisition

On February 9, 2026, the Board of Directors resolved to participate in the cash capital increase proposal of Yi Sheng Investment Corporation, at a total amount of NT\$499,680 thousand. According to the proposal, following completion of this cash capital increase, the shareholding structure of Yi Sheng is expected to be 48% held by the Company, 47% held by the fund managed by TGVest Capital Inc., and 5% held by TXC Corporation. Yi Sheng plans to conduct a share swap with Tai Shing Electronics Components Corporation (referred to as "TSE"), and Yi Sheng will acquire all issued shares of TSE by purchasing the shares held by all shareholders in cash consideration. Upon completion of the share swap, the Company will leverage its global resources and customer relationships, together with the management team of TSE and extensive

experience and expertise, to jointly strengthen TSE's core technologies, expand business layout, and strengthen international market development. This transaction is expected to further improve the Company's consolidated sales revenue and profitability, and to drive the overall growth. The Company has carefully assessed the cost-benefit, potential risks, and countermeasures associated with this strategic investment, in order to ensure the protection of existing shareholders' rights and interests.

(VIII) Expected benefit, possible risk and countermeasure for expansion of facilities

In the most recent year and up to the printing date of the annual report, the Company and subsidiaries have not undertaken any factory expansion. If there is any relevant factory expansion plan in the future, the Company and subsidiaries will execute such plan in accordance with applicable laws and regulations, and will also make appropriate announcements.

(IX) Risks faced during material incoming or sales concentration and countermeasures

1. Purchase

The Company and subsidiaries primarily purchase raw materials for relay manufacturing, including contacts, plastics, enameled wire, copper materials and terminals. In 2024 and 2025, no single supplier accounted for more than 30% of total purchases. Therefore, the Company is not exposed to the risk of excessive concentration of sourcing from a limited number of suppliers. In addition, to ensure a stable supply of materials, the Company and subsidiaries maintain relationships with more than two suppliers for each type of material and have entered into long-term supply contracts with them. We maintain good and close cooperative partnerships with our suppliers, and delivery times, prices, and quality have consistently been satisfactory. As a result, the Company and subsidiaries have not experienced any supply shortages or interruptions that have materially affected production during the past two years and up to the printing date of the annual report.

2. Sales

The Company and subsidiaries are professional manufacturers of relays, with revenue primarily derived from their sale. These relays are used in a variety of industries, including electric vehicles, automobiles, energy, industrial control, and home appliances. By leveraging a high degree of vertical integration, the Company offers comprehensive customization capabilities from

the initial product design phase, including mold design, plastic injection molding, metal parts stamping, component assembly, and automated machine integration and design, such that the production of tailored products is able to meet specific customer demands. The Company and subsidiaries are committed to providing all customers with competitive products of stable quality. In both 2024 and 2025, no single customer accounted for more than 30% of sales among the top ten customers, and the Company and subsidiaries have not experienced undue reliance on any single customer or concentrated customer base.

- (X) Impacts, risks and countermeasures of directors, supervisors or shareholders with shareholding percentage exceeding 10%, large equity transfer or change on the company:

For the most recent year and up to the printing date of the annual report, the Company is not subject to any large transfer of equities executed by directors, supervisors or major shareholders with shareholding percentage exceeding 10%.

- (XI) Impacts, risks and countermeasures of change in management rights:

There have been no changes in the Company's management rights in the most recent year and up to the printing date of the annual report.

- (XII) For litigation or non-litigation cases indicating the Company and directors, supervisors, President, substantial responsible person, major shareholder with shareholding exceeding 10% of the Company and affiliates that are involved in major lawsuits with affirmative judgment or is pending in the court proceeding, non-litigation or administrative dispute cases with results capable of causing material impacts on the interests of shareholders or stock price, the dispute fact, claim amount, litigation starting date, primary litigation parties and handling status up to the printing date of the annual report shall be disclosed: None.

- (XIII) Other significant risks and countermeasures

The Company is not subject to any other important risks and countermeasures in the most recent year and up to the printing date of the annual report.

VII. Other important matters: None.

Six. Special disclosures

- I. Information related to affiliated enterprises: Please refer to the MOPS/Single Company/Electronic File Download/Associate Three Forms Section, for details. (Inquiry website https://mopsov.twse.com.tw/mops/web/t57sb01_q10)
- II. Private securities placement status in the most recent year and up to the printing date of the annual report: None.
- III. Other matters requiring supplementary explanation: None.
- IV. For the most recent year and up to the printing date of the annual report, occurrence of events having material impact on shareholders' rights and interests or securities prices according to Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act shall be described: None.

Song Chuan Precision Co., Ltd.

Chairman Chuan-Shih Wang