Stock Code: 3685

Tradetool Auto Co., Ltd.

2025 Annual Report

Annual Report available at http://mops.twse.com.tw
Disclosure of the Annual Report available at http://www.tradetools.com.tw
Printed on March 31, 2026

I. The Spokesperson and Deputy Spokesperson of the Company

Spokesperson	Deputy spokesperson
Name: Chang, Ming-Hung	Name: Wang, Cheng-Wen
Title: General Manager	Title: Deputy General Manager
Tel: (04)2258-5821	Tel: (04)2258-5821
E-mail: fa@tradetools.com.tw	E-mail: fa@tradetools.com.tw

II. Address and Contact Number of the Headquarters, Branches and Plant

Name	Address	Tel
Headquarters	4F.-7, No. 213, Chaofu Rd., Xitun Dist., Taichung City, Taiwan	(04)2258-5821

III. Stock Transfer Agent

Name: Horizon Securities Corp.
Address: 3F., No. 236, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City, Taiwan
Website: http：//www.honsec.com.tw
Tel: (02)2326-8818

IV. Auditors

CPAs: Lai, Shu-Chen, Huang, Yu-Ting
Accounting Firm: Ernst & Young, Taiwan
Address: 26F, No.186, Shizheng N. 7th Road, Taichung City, Taiwan
Website: http://ey.com/taiwan
Tel: (04)2259-8999

V. Overseas Securities Exchange

None.

VI. Corporate Website：http://www.tradetools.com.tw

TABLE OF CONTENTS

Chapter I. A Letter to Shareholders

Dear Shareholders,

Within the Group's Optical Injection Business Division, operations continued to expand beyond the automotive optical display segment. During the year, the division focused on the research, development, and production of lighting products for electric-assist bicycles. The Group leveraged proprietary optical patents featuring high LED utilization efficiency and compact designs. These capabilities enabled the Group to enter the supply chains of internationally recognized bicycle brands. As a result, revenue from bicycle lighting products continued to grow in 2025, indicating steady progress in the technical development of this product line.

The Metal Stamping Business Division continued to face a challenging operating environment. In China, the rapid increase in the adoption of new energy vehicles has accelerated the expansion of domestic brands, placing sustained pressure on traditional joint-venture brands. Amid declining sales volumes and intensified price competition among joint-venture customers, the division remained in a loss-making position. In response, management adjusted procurement strategies and further streamlined workforce deployment and production processes, which contributed to a reduction in production costs.

To advance the Group's diversification strategy, the Company increased its shareholding in the Solar Energy Business Division to 82% by the end of June 2025. Supported by government renewable energy policies and a growing number of large-scale installation projects, the division recorded a significant increase in engineering revenue during the year. The solar energy business has since become one of the Group's important contributors to overall profitability.

1. Operating Performance in 2025

Unit: in NT$ thousand

Item	2025	2024	Increase (Decrease) Amount	Increase (Decrease) Rate
Operating Revenue	1,196,194	1,246,499	(50,305)	-4%
Operating Cost	947,294	1,047,381	(100,087)	-10%
Gross Profit	248,900	199,118	49,782	25%
Operating Expense	196,893	196,207	686	0%
Operating Income	52,007	2,911	49,096	1,687%
Net Non-Operating Expenses	(101,534)	(13,474)	(88,060)	654%
Net Loss Before Tax	(49,527)	(10,563)	(38,964)	369%
Income Tax Expense	(37,179)	(9,564)	(27,615)	289%
Net Loss for the Period	(86,706)	(20,127)	(66,579)	331%
Net Loss Attributable to the Owners of the Parent	(81,194)	(41,906)	(39,288)	94%

The Group's consolidated operating revenue for 2025 declined compared with 2024. The decline was mainly attributable to reduced revenue from the Metal Stamping Business Division. This was driven by weakening sales of Japanese joint-venture brands in the Mainland China automotive market, together with a continued downturn in internal combustion vehicle demand, which resulted in lower revenue from metal stamping components. During 2025, the Group adjusted its operating model in response to market conditions. Cost and expense controls were strengthened across all business divisions, and operating efficiencies were enhanced. In addition, engineering revenue from solar energy projects increased. As a result, both gross profit and operating income for 2025 increased significantly compared with the prior year.

Net non-operating expenses for 2025 increased compared with 2024. The increase was primarily due to losses and impairment recognized from the disposal of automotive lighting-related equipment, following the Optical Injection Business Division's shift in focus from automotive lighting products to bicycle lighting products. Exchange losses were also recorded as a result of foreign exchange fluctuations during the year.

Based on the foregoing, the Group recorded a consolidated net loss after tax of NT$86,706 thousand for 2025, of which a net loss of NT$81,194 thousand was attributable to owners of the parent.

2. Analysis of Financial Performance and Profitability for 2025

Item	2025	2024
Debt-to-Asset Ratio (%)	44.78	38.20
Current Ratio (%)	155.83	178,39
Return on Assets (%)	(3.31)	(0.07)
Return on Equity Attributable to Owners of the Parent (%)	(10.78)	(5.14)
Net Profit Margin (%)	(7.25)	(1.61)
Earnings per Share After Tax (NT$)	(1.02)	(0.53)

Note: The table above is prepared based on International Financial Reporting Standards (IFRS) for the compilation of consolidated financial statements.

The Group's debt-to-asset ratio in 2025 increased, while the current ratio declined, compared with 2024. These changes were primarily attributable to an increase in trade payables for raw material purchases and higher short-term bank borrowings incurred to support operating requirements during the year, which led to an increase in current liabilities.

In addition, the Group's return on assets, return on equity, net profit margin, and earnings per share after tax for 2025 all declined compared with 2024. This was mainly due to the Group's adjustment of its operating strategy and product mix during the year, which resulted in the recognition of impairment losses on non-financial assets and, consequently, an increase in the net loss for the period.

3. Budget implementation for 2025

The Company did not prepare its financial forecast for 2025.

4. R&D status in 2025

To sustain the development of its core businesses, the Company continued to expand its customer base in automotive optical injection components for display applications and metal stamping components for automotive body structures. At the same time, ongoing optimization efforts were undertaken in lighting products, with a focus on improving light source efficiency, reducing power consumption, and minimizing product size. Continuous improvements were also made to materials and manufacturing processes for automotive metal stamping components in order to maintain core competitiveness. In 2025, the Group invested a total of NT$27,485 thousand in research and development, representing approximately 2.3% of net operating revenue for the year.

5. Overview of the 2026 business plan and the Company's future development strategy

Against the backdrop of heightened geopolitical risks, the resurgence of trade protectionism, and the ongoing impacts of climate change, the global economy is entering a phase characterized by low growth and elevated uncertainty. In China, the automotive market has reached a critical stage of transition, with new energy vehicles led by domestic brands becoming increasingly dominant. As a result, traditional joint-venture brands continue to face pressure on sales amid intensified price competition. In response, the Group plans to expand order intake from high-quality domestic brands in China, while maintaining cooperative relationships with selected joint-venture brands, in order to sustain a stable market presence in the Chinese market.

At the same time, given the complex challenges currently facing the global economy and the automotive market in China, the Company will continue to adopt a prudent operating approach. To advance its diversification strategy, the Company will continue to allocate resources to the Solar Energy Business Division. In addition to maintaining rooftop solar project engineering operations, the Company plans to expand into solar projects of various types and larger scales. These initiatives are intended to strengthen revenue growth from non-automotive businesses, advance the Group’s diversification objectives, and actively seek additional growth opportunities in Asian markets outside of China.

Looking ahead, the Company will closely monitor global economic conditions, domestic and international policy developments, and regulatory changes. Efforts will be made to actively pursue subsequent business opportunities, adjust capacity planning in a timely manner, and continue to enhance process optimization. The Company will also persist in implementing cost rationalization initiatives across its operations, with the objective of improving operating performance, enhancing profitability, and creating greater value for shareholders.

Wishing you good health and good luck

Chairman: Chiang, Kai-Liang

General Manager: Chang, Ming-Hung

Chief Accounting Officer: Wang, Cheng-Wen

Chapter II. Corporate Governance Report

I. Information on Directors, Supervisors, General Managers, Deputy General Managers, Associates, Heads of Departments and Branches

(I)Directors and Supervisors

1. Information on Directors and Supervisors

April 1, 2025

Title	Nationality	Name	Gender /Age	Date Elected	Term(Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent Positions with the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R.O.C	Fu Ya Enterprise Co., Ltd.	—	2025/05/29	3	2015/06/18	17,418,076	21.89%	13,836,076	17.39%	—	—	—	—	—	—	—	—	—
	R.O.C	Representative: Chiang, Kai-Liang	Male 41~50	2025/05/29	3	2016/05/05	—	—	528,000	0.66%	—	—	—	—	Master's degree/ Department of business management, Institute of National Tsing Hua University.	(Note 4)	—	—	—
Director	R.O.C	Chang, Ming-Hung	Male 51-60	2025/05/29	3	2016/05/05 (Note 1)	389,000	0.49%	789,000	0.99%	—	—	—	—	Ph.D./College of Management, National Yunlin University of Science and Technology. Deputy General Manager/ Horizon Securities Capital Market Division Taichung Office. Adjunct Assistant Professor, College of Business Administration, National Yunlin University of Science and Technology. Associate General Manager/ First Securities Inc. Capital Market Division Taichung Office. Manager/ Jianhua (Hong) Securities and Capital Market Division Taichung Branch	(Note 4)	—	—	—
Director	R.O.C	Lin, Shrng-Chieh	Male 61~70	2025/05/29	3	2016/05/05 (Note 2)	439,000	0.55%	939,000	1.18%	—	—	—	—	Master's degree/ Department of business administration, National Chung Cheng University. Remuneration Committee member/ Cyber Power Systems, Inc. Concurrent position as assistant professor/ Asia University. Lecturer/ Overseas Chinese University. Chief/ PricewaterhouseCoopers Taiwan.	(Note 4)	—	—	—
Director	R.O.C	Ai Po Technology Co., Ltd.	—	2025/05/29	3	2022/05/30	17,418,076	21.89%	10,000,076	12.57%	—	—	—	—	—	—	—	—	—

Title	Nationality	Name	Gender /Age	Date Elected	Term(Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent Positions with the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
	R.O.C	Representative: Chang, Hai-Yan	Female 51~60	2025/09/30	3	2025/09/30 (Note 3)	—	—	—	—	—	—	—	—	Ph.D. in Global Education/ University of Southern California (USC). Advisor/ Fiscal and Financial Policy Group/ National Policy Foundation. Financial Advisor/ CRIF Taiwan.	(Note 4)	—	—	—
Independent Director	R.O.C	Chen, Chun-Mao	Male 61~70	2025/05/29	3	2017/06/08	—	—	—	—	—	—	—	—	Master of law/ Soochow University. EMBA/ Fengchia University. Concurrent position as lecturer/ Department of financial and economic law, Asia University. Concurrent position as lecturer/National Taichung University of Science and Technology Concurrent position as lecturer/ EMBA of Fengchia University Lecturer/Taiwan Corporate Governance Association Chief legal officer/ Mosa Industrial Corporation. Prosecutor/ Taiwan Taichung District Prosecutors Office. Prosecutor/ Taiwan Taoyuan District Prosecutors Office. Engineer/ Eva Airways Corporation Engineer/ Yeu Tyan Machinery MFG Co., Ltd.	(Note 4)	—	—	—
Independent Director	R.O.C	Liu, Te-Shou	Male 51~60	2025/05/29	3	2022/05/30	—	—	—	—	—	—	—	—	Studied/ Chung Yuan Christian University. Legal consultant/ Taoyuan Management Office, Irrigation Agency, Council of Agriculture Executive Yuan, Litigation counseling for military, Counseling lawyer/ Ministry of National Defense, R.O.C. Legal consultant/ Civil Affairs Office of Pingzhen District, Taoyuan. Legal consultant/ Department of Land Administration, Taoyuan. Clerk/ Taiwan Taoyuan District Court	(Note 4)	—	—	—

Title	Nationality	Name	Gender /Age	Date Elected	Term(Y)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent Positions with the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	R.O.C	Lin, Yun-Shan	Female 41~50	2025/05/29	3	2022/05/30	–	–	–	–	–	–	–	–	Master of business management/ University of East Anglia. CPA/ Chia-Chung accounting firm Project director/ Audit plan for project of Environmental Protection Administration and Local Department of Environmental Protection. Project manager/ BDO Taiwan. Financial manager/ Sports-Ace International Co., Ltd. Financial manager/ Taiwan Auto-Design Co. (TADC) Cost accounting deputy manager/ Formica Taiwan Corporation Audit deputy manager/ Deloitte	(Note 4)	–	–	–

Note 1: Director Chang, Ming-Hung first served as the director of the Company on 5 May 2016 as the representative of Fu Ya Enterprise Co., Ltd.
Note 2: Director Lin, Shrng-Chieh was first appointed as the Company's supervisor on 5 May 2016.
Note 3: The corporate director, Ai Po Technology Co., Ltd., replaced its appointed representative with Ms. Chang, Hai-Yan effective 30 September 2025.
Note 4: Directors are currently holding positions in the Company and other companies, please refer to the table on the below table.

Title	Name	The positions currently holding in the Company and other companies
Director	Chiang, Kai-Liang	Chairman/ Tradetool Auto Co., Ltd. (The Company), Chairman/ Tan De Tech Co., Ltd., Chairman/ Tradetool Green Energy Co., Ltd., Chairman/ Yuan Jie Photovoltaics System Co., Ltd., Director/ Ching Way Industrial Co., Ltd. (Anguilla), Director/ Success Horizon Global Limited (Samoa), Director/ Samoa Jeng Shiang Investment Holdings Co., Ltd., Director/ Suzhou Tradetool Trading Co., Ltd., Director/ Xiangyang Tradetool Automobile Parts Co., Ltd., Director/ Hunan Baoyuan Automotive Parts Co., Ltd., Director/ Henan Baoheyuan Auto Parts Co., Ltd., Director/ Conserve & Associates, Inc., Supervisor/ Chyan Feng Xing Machinery Co., Ltd., Director / Yuanchuang Energy Co., Ltd,. Director/ Weidian Power Co., Ltd., Director/ Vitron Power Co., Ltd., Director/ Vitron Co., Ltd., Director/ Xingxi Technology Co., Ltd., Director/ Aipulasih Technology Co., Ltd., Supervisor/ Fu Ya Enterprise Co., Ltd., Supervisor/ Ai Po Technology Co., Ltd., Director/ YSG Trade Co., Ltd., Director/Chongqing Xingqiao Industry Co., Ltd., Director/ Hangzhou Xingqiao Industry Co., Ltd., Director/ Cosma Automotive Systems (Chongqing) Co., Ltd.
Director	Chang, Ming-Hung	General Manager/ Tradetool Auto Co., Ltd. (The Company), Chairman/ Suzhou Tradetool Trading Co., Ltd., Chairman and General Manager/ Xiangyang Tradetool Automobile Parts Co., Ltd., Chairman and General Manager/ Hunan Baoyuan Automotive Parts Co., Ltd., Chairman and General Manager/ Henan Baoheyuan Auto Parts Co., Ltd., Chairman/ Kaifeng Shengfayuan Auto Parts Co., Ltd., Director/ Tan De Tech Co., Ltd., Director/ King Metal Technology Co, Ltd., Director and General Manager/ Tradetool Green Energy Co., Ltd., Director and General Manager/ Yuan Jie Photovoltaics System Co., Ltd.
Director	Lin, Sheng-Chieh	Office Director of the head office/ Wan Tai Certified Public Accountant, Independent director/ Chu Yu Hsiang Co., Ltd., Supervisor/ King Metal Technology Co, Ltd., Supervisor/ Apogean Metal Co., Ltd., Supervisor/ Ysg Trade Co., Ltd., Supervisor/ Jiacheng Investment Co., Ltd.
Director	Chang, Hai-Yan	Ph.D. in Finance and Financial Technology/ Department of Finance and Financial Technology, China University of Technology, Professor/ Department of Finance and Financial Technology and Global Business Program/ China University of Technology, Independent Director, LUMAX INTERNATIONAL CORP., LTD, Independent Director, SUNVIC TECHNOLOGY CO., LTD.
Independent director	Chen, Chun-Mao	Attorney-at-law/ Chang Yao Attorney at Law, Director/ Chain Yarn Co., Ltd.
Independent director	Liu, Te-Shou	Attorney-at-law/ Shou De Attorney at Law
Independent director	Lin, Yun-Shan	CPA/ EnWise CPAs & Co., Independent director/ Amulaire Thermal Technology, Inc., Independent director/ Power Win Taiwan Co., Ltd.

2.Directors and Supervisors are major shareholders of institutional shareholders

March 31, 2026

Name of institutional shareholder (Note1)	Dominant shareholders of institutional shareholders (Note 2)	Shareholding ratio (%)
Fu Ya Enterprise Co., Ltd.	Sky Lucky Development Limited (Hong Kong)	100.00%
Ai Po Technology Co., Ltd.	Jo Wi Investment Limited (Seychelles)	100.00%

Note1: If the Director or Supervisor is the representative of an institutional shareholder, fill in the name of the institution.

Note2: Put down the names of the dominant shareholders of this institutional shareholder (Top 10 by shareholding) and the proportion of shareholding. If the dominant shareholders are institutional shareholders, fill in the sheet below.

3.The major shareholders as exhibited in the abovementioned Table 2 are institutional shareholders, the major shareholders of these institutional shareholders.

March 31, 2026

Name of institutional shareholder	Major shareholders of institutional shareholders	Shareholding ratio (%)
Sky Lucky Development Limited (Hong Kong)	Chiang, Ming-Huang	100.00%
Jo Wi Investment Limited (Seychelles)	Chiang, Ming-Huang	37.27%
	Ko, Da-Feng	32.73%
	Yang, Ming-Tsung	30.00%

Source: Information provided by each company and the information listed in the business registration of Ministry of Economic Affairs.

4.Professional qualifications and independence of the Directors and Supervisors and disclosure of information on the independence of independent directors.

March 31, 2026

Condition / Name	Professional Qualifications and Experience	Independent Status	Number of public companies where the director concurrently serves as an independent director
Chairman: Fu Ya Enterprise Co., Ltd. Representative: Chiang, Kai-Liang	1. Marketing technology, business management, work experience required for leadership decision-making and company business. 2.Work experience: Chairman/ Tradetool Auto Co., Ltd., Chairman/ Tan De Tech Co., Ltd., Chairman/ Tradetool Green Energy Co., Ltd., Chairman/ Yuan Jie Photovoltaics System Co., Ltd., Director/ Ching Way Industrial Co., Ltd. (Anguilla), Director/ Success Horizon Global Limited (Samoa), Director/ Samoa Jeng Shiang Investment Holdings Co., Ltd., Director/ Suzhou Tradetool Trading Co., Ltd., Director/ Xiangyang Tradetool Automobile Parts Co., Ltd., Director/ Hunan Baoyuan Automotive Parts Co., Ltd., Director/ Henan Baoheyuan Auto Parts Co., Ltd., Director/ Conserve & Associates, Inc., Supervisor/ Chyan Feng Xing Machinery Co., Ltd., Director/Yuanchuang Energy Co. Ltd., Director/ Weidian Power Co., Ltd., Director/ Vitron Power Co., Ltd., Director, Vitron Co., Ltd., Director/ Xingxi Technology Co., Ltd., Director/ Aipulasih Technology Co., Ltd., Supervisor/ Fu Ya Enterprise Co., Ltd., Supervisor/ Ai Po Technology Co., Ltd., Director/ Ysg Trade Co., Ltd., Director/ Chongqing Xingqiao Industry Co., Ltd., Director/ Hangzhou Xingqiao Industry Co., Ltd., Director/ Cosma Automotive Systems (Chongqing) Co., Ltd. 3. None of any circumstances related to Article 30 of Company Act.	–	0
Director: Chang, Ming-Hung	1.Marketing technology, business management, work experience required for leadership, decision-making and company business. 2.Work experience: Director and General Manager/ Tradetool Auto Co., Ltd., Chairman/ Suzhou Tradetool Trading Co., Ltd., Chairman and General Manager/ Xiangyang Tradetool Automobile Parts Co., Ltd., Chairman and General Manager/ Hunan Baoyuan Automotive Parts Co., Ltd., Chairman and General Manager/ Henan Baoheyuan Auto Parts Co., Ltd., Chairman/ Kaifeng Shengfayuan Auto Parts Co., Ltd., Director/ Tan De Tech Co., Ltd., Director/ King Metal Technology Co, Ltd., Director and General Manager/ Tradetool Green Energy Co., Ltd., Director and General Manager/ Yuan Jie Photovoltaics	–	0

Name \ Condition	Professional Qualifications and Experience	Independent Status	Number of public companies where the director concurrently serves as an independent director
	System Co., Ltd., Deputy General Manager/ Horizon Securities Capital Market Division Taichung Office, Adjunct Assistant Professor/ College of Business Administration/ National Yunlin University of Science and Technology. Associate General Manager/ First Securities Inc. Capital Market Division Taichung Office. Manager/ Jianhua (Hong) Securities and Capital Market Division Taichung Branch. 3. None of any circumstances related to Article 30 of Company Act.		
Director: Lin, Sheng-Chieh	1. A professional who passed the state examinations for accountants and have obtained certificates. 2.Work experience: Office Director of the head office/ Wan Tai Certified Public Accountant, Independent director/ Chu Yu Hsiang Co., Ltd., Supervisor/ King Metal Technology Co, Ltd., Supervisor/ Apogean Metal Co., Ltd., Supervisor/ Ysg Trade Co., Ltd., Supervisor/ Jiacheng Investment Co., Ltd., Remuneration Committee member/ Cyber Power Systems, Inc., Concurrent position as assistant professor/ Asia Universit, Lecturer/ Overseas Chinese University, Chief/ PwC Taiwan. 3. None of any circumstances related to Article 30 of Company Act.	—	1
Director: Ai Po Technology Co., Ltd. Representative: Chang, Hai-Yan	1.Possess the required work experience in marketing technology, business management, leadership, decision-making and company business. 2.Work experience: Ph.D. in Global Education/ University of Southern California (USC); Advisor/ Fiscal and Financial Policy Group/ National Policy Foundation; Financial Advisor/ CRIF Taiwan. 3. None of any circumstances related to Article 30 of Company Act.	—	2
Independent director: Chen, Chun-Mao	1.A professional who passed the state examinations for lawyers and accountants and have obtained certificates. 2.Work experience: Attorney-at-law/ Ever Light International Law Firm, Director/ Chain Yarn Co., Ltd., Concurrent position as lecturer/ Department of financial and economic law of Asia University, Concurrent position as lecturer/ National Taichung University of Science and Technology, Concurrent position as lecturer/ EMBA of Fengchia University , Lecturer/ Taiwan Corporate Governance Association, Special Assistant to the Chairman/ Mosa Industrial Corporation, Prosecutor/ Taiwan Taichung District Prosecutors Office, Prosecutor/ Taiwan Taoyuan District Prosecutors Office, Engineer/ Eva Airways Corporation, Engineer/ Yeu Tyan Machinery Mfg Co., Ltd. 3. None of any circumstances related to Article 30 of Company Act.	1.An Independent director that is qualified for independence. Including but not limited to the person, spouse, relatives within the second degree who are not Directors, Supervisors or employees of the Company or its affiliates. 2.Not holding the shares of the Company. 3.Not serving as a Director, Supervisor or employee of a company that has a specific relationship with the Company. 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	0
Independent Director: Liu, Te-Shou	1. A professional who passed the state examinations for lawyers and have obtained certificates. 2. Work experience: Attorney-at-law/ Shou De Attorney at Law, Legal consultant/ Taoyuan Management Office, Irrigation Agency, Council of Agriculture Executive Yuan, Litigation counseling for military, Counseling lawyer/ Ministry of National Defense, R.O.C., Legal consultant/ Civil Affairs Office of Pingzhen District, Taoyuan, Legal consultant/ Department of Land Administration, Taoyuan, Clerk/ Taiwan Taoyuan District Court. 3. None of any circumstances related to Article 30 of Company Act.	1.An Independent director that is qualified for independence. Including but not limited to the person, spouse, relatives within the second degree who are not Directors, Supervisors or employees of the Company or its affiliates.	0

Name \ Condition	Professional Qualifications and Experience	Independent Status	Number of public companies where the director concurrently serves as an independent director
		2.Not holding the shares of the Company. 3.Not serving as a Director, Supervisor or employee of a company that has a specific relationship with the Company. 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	
Independent Director: Lin, Yun-Shan	1. A professional who passed the state examinations for accountants and have obtained certificates. 2. Work experience: CPA/ EnWise CPAs & Co., Independent director/ Amulaire Thermal Technology, Inc., Independent director/ Power Win Taiwan Co., Ltd., CPA/ Chia-Chung accounting firm, Project director/ Audit plan for project of Environmental Protection Administration and local Department of Environmental Protection, Project manager/ BDO Taiwan, Financial manager/ Sports-Ace International Co., Ltd., Financial manager/ Taiwan Auto-Design Co. (TADC), Cost accounting deputy manager/ Formica Taiwan Corporation, Audit deputy manager/ Deloitte. 3. None of any circumstances related to Article 30 of Company Act.	1.An Independent director that is qualified for independence. Including but not limited to the person, spouse, relatives within the second degree who are not Directors, Supervisors or employees of the Company or its affiliates. 2.Not holding the shares of the Company. 3.Not serving as a Director, Supervisor or employee of a company that has a specific relationship with the Company. 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	2

5. Diversity and independence of the Board.

(1) Diversity of the Board:

The Company values the diversity of the composition of the board of directors. To improve the corporate governance and promote sound composition and structure of the board of directors, the Article 20 of the Corporate Governance Best Practice Principle of the Company has stated that the Board of the Directors should possess the following capabilities: 1. Judgement in operation, 2. Accounting and financial analysis, 3. Corporate management, 4. Crisis management, 5. Industry knowledge, 6. International view of market, 7. Leadership, 8. Decision-making.

The members of the Company's board of directors possess diverse and complementary cross-industry capabilities. Also, all of them possess industry experience and related skills, such as law, accounting, finance, marketing, technology, corporate governance, professional skills and work experience related to the industry.

To achieve the ideal goal of corporate governance, currently the implementation of the diversity policy by individual members of the board of directors of the Company is as follows:

Diversified core items / Names of Directors	Composition					Professional qualification		Capabilities							
	Nationality	Gender	Serve as an employee of the Company, parent, subsidiary or brother company.	Tenure of Independent director: Less than 9 years(included 9 years)	Tenure of Independent director: More than 9 years	Accountant qualification	Lawyer qualification	Operational evaluation	Accounting and financial analysis capabilities	Management capability	Crisis management	Industrial knowledge	Global market perspective	Leadership	Decision-making
Chiang, Kai-Liang	R.O.C	Male	None					✓	✓	✓	✓	✓	✓	✓	✓
Chang, Ming-Hung	R.O.C	Male	Concurrently serving as the General Manager of the Company					✓	✓	✓	✓	✓	✓	✓	✓
Lin, Sheng-Chieh	R.O.C	Male	None			✓		✓	✓	✓	✓	✓	✓	✓	✓
Chang, Hai-Yan	R.O.C	Female	None					✓	✓	✓	✓	✓	✓	✓	✓
Chen, Chun-Mao (Independent director)	R.O.C	Male	None		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Te-Shou (Independent director)	R.O.C	Male	None	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
Lin, Yun-Shan (Independent director)	R.O.C	Female	None	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓

In order to implement the diversity policy of the composition of the board of directors to improve the Company's overall performance and, abide by Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and also consider gender equality in the composition of the board of directors to strengthen the corporate governance. The Company has seven directors, including three independent directors. The age distribution of the Board comprises two directors aged 41-50, three directors aged 51-60, and two directors aged 61-70. In addition, two of the directors are female, representing 29% of the total number of Board seats. In the future, the Company aims to increase the proportion of female directors to at least 33%. Gender balance will be taken into consideration during the board member nomination and selection process.

An evaluation mechanism will be established to regularly review the gender composition of the board and its impact on corporate performance. Through active participation in government-led gender equality initiatives, the company is committed to effectively enhancing gender diversity on the board of directors.

(2) Independence of the Board:

The board of directors of the Company consists of 7 members, and 3 independent directors are included, which accounted for 42.86% of the total board seats. There are no such relations regulated in Paragraphs 3 and 4 under Article 26-3 of the Securities and Exchange Act between the board members of the Company. The Directors of the Company uphold a high degree of self-discipline. For those who have an interest in the proposals listed by the board of directors, themselves or the juridical person they represent should not participate in discussions or votes if the person might harm the interests of the Company during the board meeting's explanation on the important contents of one's interest. Moreover, one should also avoid discussions and votes, and shall not act on behalf of other Directors to execute their voting rights.

(II) Information on General Managers, deputy General Managers, Associate General Managers and function heads and branch heads

March 31 2026 Unit: shares;%

Title	Nationality	Name	Gender	Date Elected (Note1)	Shareholding when Elected		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent positions in other companies	Manager who is spouse or kindred within the 2nd tier		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
General Manager	R.O.C.	Chang, Ming-Hung	Male	2016/05/01	789,000	0.99%	—	—	—		Ph.D./College of Management, YunTech University Deputy General Manager/ Horizon Securities Capital Market Division Taichung Office Concurrent position as lecturer / College of Management, YunTech University Concurrent position as lecturer/ Department of finance, Tunghai University Associate General Manager/ First Securities Inc. Capital Market Division Taichung Office Manager/ Jianhua (Hong) Securities and Capital Market Division Taichung Branch	(Note 2)	—	—	—
General Manager/ Tan De Tech	R.O.C.	Li, Chao-Pei	Male	2005/03/18	—	—	—	—	—	—	Master's degree of Mechanical engineering/ New Jersey Institute of Technology Chairman/ the Company Chairman/ Tan De Tech Co., Ltd. Chairman/ Jeng Shiang Precision Optronics (Suzhou) Co., Ltd. Senior engineer/ INNOLUX Senior engineer/ AUO Corporation	(Note 2)	—	—	—

Title	Nationality	Name	Gender	Date Elected (Note1)	Shareholding when Elected		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent positions in other companies	Manager who is spouse or kindred within the 2nd tier		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Deputy General Manager, CFO and corporate governance manager	R.O.C.	Wang, Cheng-Wen	Male	2013/10/01	25,703	0.03%	—	—	—	—	EMBA/ Department of International Business Studies, Jinan University Deputy manager/ KPMG Financial Manager of the Company	(Note 2)	—	—	—
Deputy General Manager/ Henan Baoheyuan	P.R.C	Dong, Kan	Male	2022/10/26	—	—	—	—	—	—	Department of Automotive Engineering/ Shanghai University of Engineering Science, Supervisor/ Jiangsu Huaduei Metal Technology Co., Ltd. Commercial specialist/ Shanghai Yifong Mold Manufacturing Co., Ltd.	(Note 2)	—	—	—
Assistant Vice President	R.O.C	Wang, Pei-Fang	Female	2017/05/01	5,000	0.01%	—	—	—	—	Department of Accounting/ Tunghai University Manager/ KPMG	—	—	—	—
Manager/ Audit office	R.O.C	Chou, Chiu-Hsiang	Female	2006/03/27	1,000	0.00%	—	—	—	—	Master's degree, College of Management, Feng Chia University; Associate Manager, Administration Department, the Company; Associate Manager, Audit Office, the Company;	—	—	—	—

Title	Nationality	Name	Gender	Date Elected (Note1)	Shareholding when Elected		Spouse & Minor Shareholding		Shares Held in the Name of a Third Party		Experience (Education)	Concurrent positions in other companies	Manager who is spouse or kindred within the 2nd tier		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
											Manager, Information Technology Department, the Company; Associate General Manager, Hunan Baoyuan Automotive Parts Co., Ltd.				

Note 1: The date of office is the date of inauguration of the Company.

Note 2: Positions Held Concurrently at the Company and other companies

Title	Name	Concurrent Positions with the Company and Other Companies
General Manager	Chang, Ming-Hung	Director and General Manager/ Tradetool Auto Co. Ltd.(the Company), Chairman/ Suzhou Tradetool Trading Co., Ltd., Chairman and General Manager/ Xiangyang Tradetool Automobile Parts Co., Ltd., Chairman and General Manager/ Hunan Baoyuan Automotive Parts Co., Ltd., Chairman and General Manager/ Henan Baoheyuan Auto Parts Co., Ltd., Chairman/ Kaifeng Shengfayuan Auto Parts Co., Ltd., Director/ Tan De Tech Co., Ltd., Director/King Metal Technology Co, Ltd., Director and General Manager/ Tradetool Green Energy Co., Ltd., Director and General Manager/ Yuan Jie Photovoltaics System Co., Ltd.
General Manager/ Tan De Tech	Li, Chao-Pei	Director and General Manager/ Tan De Tech Co., Ltd.
Deputy General Manager, CFO and corporate governance manager	Wang, Cheng-Wen	Supervisor/ Suzhou Tradetool Trading Co., Ltd. Special Assistant to the Chairman and Supervisor/ Xiangyang Tradetool Automobile Parts Co., Ltd. Supervisor/ Tradetool Green Energy Co., Ltd. Supervisor/ Yuan Jie Photovoltaics System Co., Ltd.
Deputy General Manager, Henan Baoheyuan Auto Parts Co., Ltd.	Dong, Kan	General Manager/ Fujian Baolu Auto Parts Co., Ltd., Supervisor/ Shanghai Huaduei Metal Limited, Supervisor/ Shanghai Yueding Automobile Parts Limited Supervisor/ Shanghai Siecyun Co., Ltd.

II. Remuneration to the Directors (Including Independent Directors), Supervisors, General Managers and Deputy General Managers in the Most Recent Year

(I) Remuneration to directors and independent directors (Disclose the name of each individual and the corresponding remuneration amount) (2025)

Unit: in NT$ thousand

Title	Name	Remuneration to directors								The sum of A, B, C and D in proportion to net income		Related payment in performing the duties as employees										The sum of A, B, C, D, E, F and G in proportion to net income (%)		Any payment from direct investee companies other than the subsidiaries or the parent company
		Remuneration (A)		Pension and severance payment (B)		Remuneration to Directors (C)		Professional allowances (D) (Note 1)				Salaries, bonus and special expense account (E)		Pension and severance payment (F) (Note2)		Remuneration to employees (G)						
																The Company		Companies in the financial report				
		The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	Cash	Stock	Cash	Stock	The Company	Companies in the financial report	
Chairman	Fu Ya Enterprise Co., Ltd. Representative: Chiang, Kai-Liang	3,609	5,260	0	0	0	0	770	810	4,379 (5.39%)	6,070 (7.48%)	0	0	0	0	0	0	0	0	4,379 (5.39%)	6,070 (7.48%)	0
Director	Chang, Ming-Hung	0	0	0	0	0	0	60	100	60 (0.07%)	100 (0.12%)	3,835	5,108	108	108	0	0	0	0	4,003 (4.93%)	5,316 (6.55%)	0
Director	Lin, Sheng-Chieh	0	0	0	0	0	0	60	60	60 (0.07%)	60 (0.07%)	0	0	0	0	0	0	0	0	60 (0.07%)	60 (0.07%)	0
Director	Ai Po Technology Co., Ltd. Representative: Chiang, Ming-Huang (Note 3)	0	0	0	0	0	0	10	10	10 (0.01%)	10 (0.01%)	0	0	0	0	0	0	0	0	10 (0.01%)	10 (0.01%)	0

Title	Name	Remuneration to directors								The sum of A, B, C and D in proportion to net income		Related payment in performing the duties as employees								The sum of A, B, C, D, E, F and G in proportion to net income (%)		Any payment from direct investee companies other than the subsidiaries or the parent company
		Remuneration (A)		Pension and severance payment (B)		Remuneration to Directors (C)		Professional allowances (D) (Note 1)				Salaries, bonus and special expense account (E)		Pension and severance payment (F) (Note2)		Remuneration to employees (G)						
		The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company		Companies in the financial report		The Company	Companies in the financial report	
																Cash	Stock	Cash	Stock			
Director	Ai Po Technology Co., Ltd. Representative: Chang, Hai-Yan (Note 3)	0	0	0	0	0	0	70	70	70 (0.09%)	70 (0.09%)	0	0	0	0	0	0	0	0	70 (0.09%)	70 (0.09%)	0
Independent director	Chen, Chun-Mao	240	240	0	0	0	0	100	100	340 (0.42%)	340 (0.42%)	0	0	0	0	0	0	0	0	340 (0.42%)	340 (0.42%)	0
Independent director	Liu, Te-Shou	240	240	0	0	0	0	60	60	300 (0.37%)	300 (0.37%)	0	0	0	0	0	0	0	0	300 (0.37%)	300 (0.37%)	0
Independent director	Lin, Yun-Shan	240	240	0	0	0	0	100	100	340 (0.42%)	340 (0.42%)	0	0	0	0	0	0	0	0	340 (0.42%)	340 (0.42%)	0

1. Specify the policy, system, standard and structure of the remuneration for independent directors, and the association between the duties performed, the risk, the commitment of time and related factors and the amount of payment: The remuneration for the Company's independent directors is determined by the board of directors after considering the standards of peers and OTC companies. The Company pays fixed remuneration on monthly basis, and professional allowances shall follow the standard of Directors. In addition to paying and receiving fixed monthly remuneration, Directors' remuneration in accordance with the Company's articles of association shall not be paid. separately. According to Article 5 of the Company's "Rules Governing the Scope of Powers of Independent Directors' the remuneration of independent directors may be determined at a reasonable rate different from that of Directors
2. Further to the disclosure in the above table, the remuneration to the directors from all companies included in the financial statements for the service rendered (such as consultant of patent companies/all the companies in the financial report, which is not in the capacity as employee): None.

Note 1: The professional allowances for 2025 consisted of transportation and travel expenses.

Note 2: No retirement benefits were actually paid during 2025.

Note 3: The corporate director, Ai Po Technology Co., Ltd., replaced its appointed representative with Ms. Chang, Hai-Yan on September 30, 2025.

(II) Remuneration to General Managers and deputy General Managers (disclosure of the names in relevant bracket of the payment scale) (2025)

Unit: in NT$ thousand

Title	Name	Salaries (A)		Pension and severance payment (B) (Note 1)		Bonus and special expense account (C)		Amount of remuneration to employees (D)				The sum of A, B, C and D in proportion to net income(%)		Any remuneration from direct investee companies other than the subsidiaries or the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Chang, Ming-Hung	4,615	5,935	254	254	2,481	2,771	0	0	0	0	7,350 (9.05%)	8,960 (11.04%)	0
Deputy General Manager, CFO, and corporate governance manager	Wang, Cheng-Wen													
Deputy General Manager	Tseng, Wu-Chin (Note 2)													

Note 1: The pension provision was NT$254 thousand in 2025, and there was no actual retirement pension being paid.
Note 3: Tseng, Wu-Chin retired on January 31, 2025.

Remuneration Scale

Remuneration to individual General Manager and Deputy General Manager along the payment scale	Name of General Manager and Deputy General Manager	
	The Company	Parent Company and all the reinvestment businesses
Less than NTD1,000,000	Tseng, Wu-Chin	Tseng, Wu-Chin
NTD1,000,000(inclusive)-NTD2,000,000	—	—
NTD2,000,000(inclusive)-NTD3,500,000	Wang, Cheng-Wen	Wang, Cheng-Wen,
NTD3,500,000(inclusive)-NTD5,000,000	Chang, Ming-Hung	—
NTD5,000,000(inclusive)-NTD10,000,000	—	Chang, Ming-Hung
NTD10,000,000(inclusive)-NTD15,000,00	—	—
NTD15,000,000(inclusive)-NTD30,000,000	—	—
NTD30,000,000(inclusive)-NTD50,000,000	—	—
NTD50,000,000(inclusive)-NTD100,000,000	—	—
More than NTD100,000,000(inclusive)	—	—
Total	3	3

(III) Managerial officers with the top five highest remuneration amounts in the Company (disclose their names and remuneration method) (2025)

Unit: in NT$ thousand

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Chang, Ming-Hung	2,364	3,414	108	108	1,531	1,794	0	0	0	0	4,003 (4.93%)	5,316 (6.55%)	0
Deputy general manager, CFO, and corporate governance executive	Wang, Cheng-Wen	2,004	2,163	108	108	950	977	0	0	0	0	3,062 (3.77%)	3,248 (4.00%)	0
Deputy General Manager	Tseng, Wu-Chin (Note 1)	246	359	38	38	0	0	0	0	0	0	284 (0.35%)	397 (0.49%)	0
Associate General Manager	Wang, Pei-Fang	1,464	1,464	87	87	313	313	0	0	0	0	1,864 (2.30%)	1,864 (2.30%)	0

Note 1: Tseng, Wu-Chin retired on 31 January 2025.
Note 2: The number of top executives of the Company in 2025 was 4.

(IV) Names of managers with remuneration as employees and the disbursement:

March 10, 2026 Unit: in NT$ thousand

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Stock (NTD)</th><th>Cash (NTD)</th><th>Total</th><th>The total amount in proportion to net income (%)</th></tr>
<tr><td rowspan="5">Managers</td><td>General Manager</td><td>Chang, Ming-Hung</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">–</td></tr>
<tr><td>Deputy General Manager, CFO, and corporate governance executives</td><td>Wang, Cheng-Wen</td></tr>
<tr><td>General Manager of Tan De Tech Co., Ltd</td><td>Li, Chao-Pei</td></tr>
<tr><td>Deputy General Manager, Henan Baoheyuan Auto Parts Co., Ltd.</td><td>Dong, Kan</td></tr>
<tr><td>Associate General Manager</td><td>Wang, Pei-Fang</td></tr>
</table>

Note 1: The Company incurred losses in 2025. As a result, the Board of Directors resolved on March 10, 2026 not to distribute employee compensation.

(V) The total payment from the Company and all companies included in the financial statements to the directors, supervisors, General Managers, and deputy General Managers as remuneration in the last 2 years in proportion to the net income and related analysis, and explain the policy, standard and components of payment, the procedure for setting the amount of payment, and the association with the operation performance and the risks in the future:

1.The total payment from the Company and all companies included in the financial statements to the directors, supervisors, General Managers, and deputy General Managers as remuneration in the last two years in proportion to the net income.

Unit: in NT$ thousand

Item \ Year	2024		2025	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Total remuneration to directors	5,589	7,360	5,559	7,290
Total remuneration to directors in proportion to the net income	(13.34%)	(17.56%)	(6.85%)	(8.98%)
Total remuneration to supervisors	–	–	–	–
Total remuneration to supervisors in proportion to the net income	–	–	–	–
Total remuneration to General Manager and deputy General Manager	8,197	11,004	7,350	8,960
Total remuneration to General Manager and deputy General Manager in proportion to the net income	(19.56%)	(26.26%)	(9.05%)	(11.04%)

2. The policy, standard and component of remuneration payment, the procedures for deciding remuneration, and the relation between business performance and future risks

(1) The remuneration of the Directors of the Company mainly includes remuneration, transportation allowances and remuneration to Directors, and according to the regulation of “Remuneration to Directors and Remuneration Management Rules” of the Company, the payment will refer to the market standard. In terms of the remuneration to Directors. According to Article 26 of the “Articles of Association”, less than 3% of surplus should be allocated to the Directors other than Independent directors as remuneration to Directors, if there is surplus in Company. And according to the degree of participation of individual Directors in the Company's operating

activities, serving as the person in charge of the parent company or subsidiary, or the joint guarantor, etc., submitted to the Shareholders' Meeting for reporting after being reviewed by the Remuneration Committee and approved by the Board of directors. For Independent directors, they receive fixed remuneration on monthly basis regardless of the Company's operating profit or loss. But they will not be included in the abovementioned allocation of surplus.

(2) The appointment, dismissal and remuneration of the General Manager and deputy General Manager of the Company is subject to the resolution of the board of directors. The remuneration includes salaries and employee compensation. The salary payment standard is determined according to the degree of participation, contribution and future risk of the individual in the Company's operations and is determined with reference to the industry's standards in the market. Employee bonuses are assessed in accordance with the Company's "Employee Remuneration Management Measures" based on employees' rank, seniority and performance appraisal. Performance evaluation items include management and operation performance, communication and coordination, organizational planning, supervision and training, cost control, sense of responsibility, spirit of cooperation, knowledge level and innovation ability. When the Company has surplus, according to the provisions of Article 26 of the "Articles of Association", 2% ~10% of the surplus is allocated for employee remuneration, and according to the above evaluation criteria of individual managers, the result of assessment will be submitted to the Remuneration Committee for review and approval by the board of directors and then submitted to the Shareholders' Meetings for reporting.

(3) The Company's remuneration policy is based on the individual's ability, contribution to the Company, personal performance and the relevance of business performance. In addition, the Company has moderately controlled future risks when measuring business performance. The remuneration policy and future risks are interrelated.

III. Operation of Corporate Governance

(I) Pursuit of corporate governance:

The Board of the Company convened for 6 times (A) in the previous (2025) period. The attendance of the Directors is specified below:

Title	Name	Actual Frequency Attendance 【B】	Frequency of Attendance by Proxy	Actual Attendance Rate 【B/A】 (%)	Remarks
Chairman	Fu Ya Enterprise Co., Ltd. Representative: Chaing, Kai-Liang	6	0	100.00	Re-elected on May 29, 2025.
Director	Chang, Ming-Hung	6	0	100.00	Re-elected on May 29, 2025.
Director	Lin, Sheng-Chieh	6	0	100.00	Re-elected on May 29, 2025.
Director	Ai Po Technology Co., Ltd. Representative: Chiang, Ming-Huang	1	4	20.00	Re-elected on May 29, 2025; representative replaced on September 30, 2025. Required attendance: 5 meetings.
Director	Ai Po Technology Co., Ltd. Representative: Chang, Hai-Yan	1	0	100.00	Re-elected on May 29, 2025; representative replaced on September 30, 2025. Required attendance: 1 meeting.
Independent director	Chen, Chun-Mao	6	0	100.00	Re-elected on May 29, 2025.
Independent director	Liu, Te-Shou	4	2	66.67	Re-elected on May 29, 2025.
Independent director	Lin, Yun-Shan	6	0	100.00	Re-elected on May 29, 2025.

Additional information:

I. If any of the following applies to the Board in session, specify the date, the session of the meeting, the content of the motions, the opinions of all independent directors, and the response of the Company to the opinions of the independent directors:

(I) Particulars inscribed in Article 14-3 of the Securities and Exchange Act

The Company has established an audit committee after the election of the new board members at the shareholder's meeting on May 30, 2022. Therefore, the operation of board of directors after the establishment of audit committee, is not subject to the regulations of Article 14-3 of the Securities and Exchange Act. For more information, please refer to the operation status of the audit committee in the annual report.

(II) Aside from the above-mentioned matters, other resolutions of the board of directors meeting with objections or reservations of independent directors and records or written statements: None.

II. The implementation of Directors' recusal of proposals related to interests shall state the Director's name, content of the proposal, reasons for recusal of interests, and participation in voting:

Date/Session of shareholder's meeting	Name of Director	Content of proposal	Reasons for avoidance of interests	Participation in Voting
January 23, 2025 1st Meeting of 2025	Chiang, Kai-Lian	Discussion on the amount of year-end bonus to chairman in 2024.	The Director who attended the proposal, Chiang, Kai-Liang, was the recipient of the year-end bonus for this proposal. Therefore, he should recuse himself from the meeting. The Chairman appointed the Director Chang, Ming-Hung as the acting Chairman of this proposal. After the acting Chairman consulted the opinions of Independent directors, except for the Directors who have recused from the meeting, all the Directors passed the proposal without objection.	Recused and did not participate in voting
January 23, 2025 1st Meeting of 2025	Chang, Ming-Hung	Discussion on the amount of year-end bonus to the managers in 2024.	The Directors Chang, Ming-Hung who attended the proposal, and the deputy General Manager Wang, Cheng-Wen and Associate General Manager Wang, Pei-Fang who attended the proposal were the recipients of the year-end bonus for this proposal. Therefore, they should recuse themselves from meeting. After the Chairman consulted the opinions of independent directors, except for the Directors who have recused from the meeting, all the Directors passed the proposal without objection.	Recused and did not participate in voting
August 12, 2025 5th Meeting of 2025	Chen, Chun-Mao; Liu, Te-Shou; Lin, Yun-Shan	Appointment of new members to the Company's 6th Remuneration Committee	As the agenda item involved the appointment of Independent Directors Chen, Chun-Mao, Liu, Te-Shou, and Lin, Yun-Shan as members of the Remuneration	Recused and did not participate in voting

			Committee, they recused themselves from the discussion and did not participate in voting. After consultation by the Chair, the resolution was approved unanimously by all attending directors, excluding the recused independent directors.	
November 12, 2025 6th Meeting of 2025	Chang, Hai-Yan	Discussion of professional allowances of the corporate director's appointed representative	The attending director, Chang, Hai-Yan, was the subject of the discussion and was therefore required to recuse herself. After consultation with the independent directors by the Chair, the resolution was approved unanimously by all attending directors, excluding the recused director.	Recused and did not participate in voting
November 12, 2025 6th Meeting of 2025	Chang, Ming-Hung	Discussion of the appointment changes of plant management of the subsidiary Xiangyang Tradetool Automobile Parts Co., Ltd.	The attending director, Chang, Ming-Hung, and the deputy general manager in attendance were subjects of the discussion and were therefore required to recuse themselves. After consultation with the independent directors by the Chair, the resolution was approved unanimously by all attending directors, excluding the recused individuals.	Recused and did not participate in voting
February 10, 2026 1st Meeting of 2026	Chiang, Kai-Lian	Discussion of the amount of the Chairman's year-end bonus for 2025	The attending director, Chiang, Kai-Lian, was the recipient of the year-end bonus under discussion and was therefore required to recuse himself. Director Chang, Ming-Hung was designated as acting chairperson for this agenda item. After consultation with the independent directors by the acting	Recused and did not participate in voting

			chairperson, the resolution was approved unanimously by all attending directors, excluding the recused director.	
February 1, 2026 1st Meeting of 2026	Chang, Ming-Hung	Discussion of the amount of management year-end bonuses for 2025	The attending director, Chang, Ming-Hung, and the deputy general manager and associate general manager in attendance were recipients of the year-end bonuses under discussion and were therefore required to recuse themselves. After consultation with the independent directors by the Chair, the resolution was approved unanimously by all attending directors, excluding the recused individuals.	Recused and did not participate in voting

III. Implementation of self-assessment by the board of directors:

On 20 January 2020, the Company passed the resolution of the board of directors to formulate the performance evaluation method of the board of directors (The latest revision: 2 November 2020) The assessment of 2025 was completed on 10 February 2025.

Evaluation Cycle	Duration of evaluation	Scope of evaluation	Means of evaluation	Content of evaluation
In addition to the regular performance evaluation of the internal board of directors every year, it should be evaluated at least every three years by an external, professional, and independent agency or a team of	Duration of internal performance evaluation: January 1, 2025-December 31, 2025 Duration of external performance evaluation: January 1, 2025-December 31, 2025	The internal performance evaluation includes: The board of director, individual board members and functional committee. The evaluation by an external, professional, and independent agency includes the board of directors (excluding functional committees such as the audit	1. Internal self-assessment of the board of Director 2. Self-Assessment of the members of the Board 3. Self-Assessment of the members of the functional committee 4.Appointment of an external expert agency or experts to carry out the evaluation	1.Evaluation items of the board of directors: (1) Board composition and professional development. (2) Quality of board decision-making. (3) Effectiveness of board operations. (4) Internal control and risk management. (5) Degree of board involvement in corporate social responsibility. 2. The assessment items of members of the board of directors (self-assessment or peer assessment: (1) Board composition and professional development. (2) Quality of board decision-making. (3) Effectiveness of board operations. (4) Internal control and risk management.

external experts and scholars		committee and remuneration committee).		(5Degree of board involvement in corporate social responsibility. 3.Evaluation items of the functional committee: (1) The degree of participation in company operations. (2) Awareness of functional committee responsibilities. (3) Improve the quality of decision-making of the board of directors. (4) The composition and election of the functional committee members of the board of directors. (5) Internal control.

IV. The goal of strengthening the function of the board of directors in the current year and the most recent year(e.g. Set up an Audit Committee, improve the transparency of information, etc.) and implementation status assessment:

(I) The Audit Committee was established on May 30, 2022 and performed relevant duties in accordance with the Securities and Exchange Act, the Company Act, and other relevant laws and regulations. For information on the operation status of the audit committee, please refer to P.31 of the annual report.

(II)The Remuneration Committee was established on December 1, 2011. Formulate organizational regulations for the Remuneration Committee, and hold the meeting at least twice a year. Responsible for formulating and regularly evaluating policies, systems, standards and structures for Directors and managers' performance evaluation and remuneration. The Remuneration Committee held 3 meetings in 2025. During the meeting, all relevant personnel attended the consultation and discussion. The operation and communication were going well.

(III) The Company arranges training for Directors and Independent Directors every year. The training courses cover relevant refresher courses on corporate governance topics. Conforms to the implementation points of training for Directors and Supervisors of TWSE/GTSM Listed Companies, and discloses the status of training in annual reports and Market Observation Post System.

(IV)To implement corporate governance and improve the Company’s function of the board of directors. The Company passed “Rules for Performance Evaluation of board of directors” on January 20, 2020, and implement the internal self-evaluation of the board of directors and the self-evaluation of board members have been carried out regularly every year according to the rule. Moreover, an external, professional, and independent agency or a team of external experts and scholars will carry out the evaluation at least every three years. The latest external evaluation has been completed in the first quarter of 2026.

(II)The operation of the Audit Committee or the participation of Supervisors in the operation of the board of directors.

The Company has established an audit committee after the election of the new board members at the shareholder's meeting on May 30, 2022. The Company convened a total of 5 (A) meetings in 2025. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)【B】	Actual attendance rate【B/A】(%)	Remarks
Independent director (Convenor and chairman)	Chen, Chun-Mao	5	100.00	Re-elected on May 29, 2025.
Independent director (Member)	Liu, Te-Shou	3	60.00	Re-elected on May 29, 2025.
Independent director (Member)	Lin, Yun-Shan	5	100.00	Re-elected on May 29, 2025.

Other items required to be stated:

I. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, content of independent director's dissenting opinion and reservation, or significant recommendation resolutions of the Audit Committee and the Company’s response to the Audit Committee’s opinion should be specified:

(I). Matters referred to in Article 14-5 of the Securities and Exchange Act.

Date/Session of the Audit Committee	Content of Proposal	Matters Referred to in Article 14-5 of the Securities and Exchange Act	Content of Independent Director's Dissenting Opinion and Reservation, or Significant Recommendation Resolution
January 23, 2025 14th Meeting, 1st Term	Proposal 2. Discussion on the appointment of the Head of Internal Audit.	✓	—
	Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.		
	The Company’s response to Audit Committee’s opinions: The proposal was passed unanimously by all members present, so this shall not apply.		
March 6,2025 15th meeting, 1st term	Proposal 2. Discussion on the 2024 Statement on Internal Control System.	✓	—
	Proposal 3. Discussion on the 2024 Financial Statements (including individual and consolidated financial statements) and the draft independent auditors’ report.	✓	—
	Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.		
	The Company’s response to Audit Committee’s opinions: The proposal was passed unanimously by all members present, so this shall not apply.		
May 12, 2025 16th Meeting, 1st Term	Proposal 2. Adoption of the “Procedures for Endorsements and Guarantees” for the subsidiary Success Horizon Global (Samoa) Co., Ltd.	✓	—

		Proposal 3. Adoption of the “Procedures for Endorsements and Guarantees” for the subsidiary Ching Way (Anguilla) Co., Ltd.	✓	—	
		Proposal 4. Discussion on providing endorsements and guarantees for subsidiaries.	✓	—	
		Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.			
		The Company’s response to Audit Committee’s opinions: The proposal was passed unanimously by all members present, so this shall not apply.			
	August 12, 2025 1st Meeting, 2nd Term	Proposal 2. Discussion on providing endorsements and guarantees for subsidiaries.	✓	—	
		Proposal 3. Discussion on proposed loans of funds to subsidiaries Xiangyang Tradetool Automobile Parts Co., Ltd. and Hunan Baoyuan Automotive Parts Co., Ltd.	✓	—	
		Proposal 4. Discussion on the appointment of the Head of Internal Audit.	✓	—	
		Proposal 5. Discussion on amendments to the “Procedures for Preparation and Verification of the Sustainability Report.”	✓	—	
		Proposal 7 Discussion on amendments to relevant regulations under the Company’s internal control system.	✓	—	
		Proposal 8 Discussion on the establishment of the general principles for the “Pre-approval Policy for Non-assurance Services Provided by the CPAs” for 2025.	✓	—	
		Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.			
		The Company’s response to Audit Committee’s opinions: The proposal was passed unanimously by all members present, so this shall not apply.			
	November 13, 2025 2nd Meeting, 2nd Term	Proposal 1. Discussion on the rotation and replacement of the Company’s signing certified public accountant due to internal arrangements.	✓	—	
		Proposal 2. Discussion on the evaluation of the independence and competence of the certified public accountants, and audit remuneration.	✓	—	

	Proposal 4. Discussion on amendments to the "Internal Audit Rules for Other Management Systems."	✓	—
	Proposal 6. Discussion on providing endorsements and guarantees for subsidiaries.	✓	—
	Resolution result of the Audit Committee: The Audit Committee unanimously approved the proposal with all attending members present.		
	The Company's response to Audit Committee's opinions: The proposal was passed unanimously by all members present, so this shall not apply.		

(II) In addition to the above matters, matters resolved by over two-thirds of the Board of Directors but not yet resolved by the Audit Committee: Not applicable.

II. With respect to independent directors excusing themselves in the case of conflict of interest, the independent directors' names, contents of motion, reasons for conflict of interest and votes should be specified: None.

III. Independent communication status between independent directors, audit supervisors and CPAs (which should include major events, methods and results of communication on the Company's financial and business conditions, etc.)

(I) The internal audit supervisor submits audit reports to each independent director on a monthly basis, and if any independent director raises questions, immediate discussion and communication will take place. The audit supervisor also presents reports to the Audit Committee and the board of directors regarding significant findings related to the Company's internal control management. The supervisor then follows the instructions given by the Audit Committee and the board of directors as the basis for execution.

(II) In accordance with the International Standard on Auditing No. 260 "Communication with the Governance Unit of the Auditee," the auditor shall communicate governance-related matters related to the audit or review of the company's consolidated financial statements (which includes individual financial statements for the year) twice a year. After compiling these matters, the auditor shall conduct in-person communication with the Audit Committee.

(III) Actual Communications Between Independent Directors, Head of Internal Audit, and CPAs in 2025

Date	Key Communication Topics	Implementation Results
March 6, 2025	1. Key audit matters 2. Execution and results of internal control testing 3. Updates on securities-related laws and regulations	Implemented in accordance with applicable requirements
November 13, 2025	1. Scope of financial statement review and analysis of financial data 2. Updates on securities-related laws and regulations	Implemented in accordance with applicable requirements

(III) Differences between Company policy and Corporate Governance Best-Practice Principles for TSE/ GTSM Listed Companies and reasons for differences

Items	The pursuit			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary Explanation	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established and its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE Listed and TPEx Listed Companies", which has been amended and approved by the board of directors, and has been disclosed the principles on the Company's website and the Market Observation Post System.	No significant difference.
II. Equity structure and shareholder equity of the Company				
(I) Has the Company established the internal operation procedures for responding to the suggestion, queries, disputes and lawsuits of the shareholders, and proceed with the procedures?	✓		The Company has a spokesperson and acting spokesperson system, and external handling of shareholder suggestions and other matters. The Company complies with the regulations on information disclosure, and regularly disclose the Company's financial and business information in the Market Observation Post System for shareholders' reference.	No significant difference.
(II) Has the Company kept list of the dominant shareholders actually controlling the Company, and the list of ultimate controlling parties of these dominant shareholders?	✓		The Company keeps abreast of the shareholding status of Directors, managers and major shareholders holding more than 5% of the shares. Report to the Market Observation Post System every month in accordance with relevant laws and regulations. After the Shareholders' Meeting held every year and the ex-rights (dividend) is closed, the Company has a list of major shareholders and ultimate controllers based on the list of shareholders provided by the stock affairs agency.	No significant difference.

Items	The pursuit			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary Explanation	
(III) Is there any control and firewall mechanisms established between the Company and its affiliates with proper execution?	✓		The asset management, finance and accounting among affiliated companies of the company are operated independently, and are being audited by the relevant departments of the Company. The Company's internal control system has stipulated the "Subsidiary Supervision Operation Measures" and "Related Operation Standards for Financial Business between Related Enterprises" to control the risks between the Company and its affiliates, and set up appropriate firewall.	No significant difference.
(IV) Has the Company instituted related internal rules and regulations for prohibiting the use of undisclosed information in market by insiders for trading of securities?	✓		The Company has established the "Insider's new employment (discharge) information reporting procedures", "Integrity Management Code", "Ethical Behavior Standards" and "Internal Major Information Handling Operational Procedures" related operating procedures. The content regulated that insiders are not allowed to use unpublished information that has a significant impact on their stock prices to buy or sell securities. Promote to insiders at least once a year, and educate and train employees to implement the controlling internal transactions mechanism. On March 2, 2024, the board of directors of the Company revised the " Corporate Governance Best Practice Principles ", requiring insiders not to trade stocks during the closed period of 30 days before the announcement of the annual financial statements and 15 days before the announcement of the quarterly financial statements.	No significant difference.

<table>
<tr><th rowspan="2">Items</th><th colspan="3">The pursuit</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td>III. The organization and function of the board
(I) Has the Board established the policy of diversity, the substantive management objective, and the attainment?</td><td>✓</td><td></td><td>The nomination and selection of the Company’s board members of Directors adopts the candidate nomination system, and abides by “Guidelines Governing Election of Directors”
And “Corporate Governance Guidelines” to confirm the competence, diversity, and independence of each member. The Company re-elected a total of 7 directors (including 3 independent directors) at the general shareholders’ meeting on May 29, 2025, and the current Directors of the Company are all experienced in operation and management, decision-making and leadership, and related industry knowledge. The education and work experience of the Directors include finance, law, marketing, and technology, etc. Please refer to page 14 of the annual report for the description of relevant professional fields and the age distribution. The Company’s Board management objectives include reducing the proportion of directors with employee status to below 20% and increasing the proportion of female directors. Following the re-election at the 2025 Annual General Meeting of Shareholders, the proportions of directors with employee status and female directors were each 14%. Subsequently, the corporate director Ai Po Technology Co., Ltd. replaced its appointed representative with Ms. Chang, Hai-Yan on September 30, 2025, which increased the proportion of female directors from 14% to 29%.</td><td>No significant difference.</td></tr>
<tr><td>(II) Has the Company voluntarily set other functional committees apart from the Remuneration Committee and Audit Committee?</td><td>✓</td><td></td><td>At present, the Company merely sets up the functional committee of the Remuneration Committee and Audit Committee. In the future, the Company may establish various functional committees as required by legal regulations or practical needs.</td><td>No significant difference.</td></tr>
<tr><td>(III) Has the Company formulated the performance evaluation method and evaluation means of the board of directors, and regularly carried out</td><td>✓</td><td></td><td>The Company has passed the resolution of stipulating “Board Performance Evaluation Measures” on January 21, 2020, and was disclosed on the Company’s website. In the performance evaluation of the year, the board of directors self-assess through questionnaires and complete the evaluation assignment before the end of the first</td><td>No significant difference.</td></tr>
</table>

performance evaluation each year? And reported the evaluation result reported to board of directors, references applied to individual Directors' remuneration and nomination for reappointment?			quarter of the following year. And every three years, it will be evaluated by an external professional independent institution or a team of external experts and scholars. The results of the performance evaluation will be sent to the board of directors for report review and serve as a reference for individual Directors to determine individual salaries. Please refer to the evaluation cycle, evaluation terms, evaluation scope, evaluation means, and evaluation content of "Implementation of self-assessment by the board of directors" on Page 29 of the annual report. In 2025, the board of directors' performance evaluation was conducted through self-assessment questionnaires completed by all board members and members of various functional committees. The evaluation results were submitted to the board of directors on February 10, 2026. The overall average score for the board of directors' self-assessment is 4.30 out of 5, indicating strong performance. Individually, the average score for each board member's self-assessment is 4.70 out of 5, reflecting a high level of performance. These results suggest that the board of directors is operating effectively. The Audit Committee's self-assessment score is 4.88 out of 5, and the Remuneration Committee's self-assessment score is 4.81 out of 5, indicating positive evaluations of the efficiency and effectiveness of their operations across various metrics. These results demonstrate that both the Audit Committee and the Remuneration Committee are effectively enhancing the functions of the board of directors.	
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		1. Based on the "Statement of Independence" provided by certified accountants every year, and concerning the content of the "The Norm of Professional Ethics for Certified Public Accountant No. 10", the finance department of the Company conducts a preliminary assessment of the certified accountants' independence and suitability, and submits it to the Audit Committee for review. After the review by the Audit Committee, the finance department submits it to the board of directors for approval. The Company's assessment items are as follows. The assessment results have not been found any violation of independence. On November 13, 2025, the board of directors discussed and approved the assessment of the independence and competence of certified accountants.	No significant difference.

Evaluation item	Independence
1. The appointed CPAs have not provided audit services for the Company for seven consecutive years.	Yes
2. The appointed CPAs and their spouse or dependents or members of the audit team do not served as the company's directors, managers, or positions that have a significant impact on audit cases currently or in the past two years; it is also confirmed that they will not hold the above-mentioned relevant positions in the future audit period.	Yes
3. The appointed CPAs and members of the audit team have not accepted endowments of great value or gifts from the Company, directors, supervisors, and managers of the Company (the value of which does not exceed the general social etiquette standard).	Yes
4. The appointed CPAs do not have relationship with the Company in joint investment or benefit sharing.	Yes
5. The appointed CPAs do not get involved in management of decision-making of the Company.	Yes
6. The appointed CPAs do not have direct or material indirect financial interest relationship with the Company.	Yes
7. The appointed CPAs has no financing or guarantee activities with the Company or the directors of the Company.	Yes
8. The appointed CPAs do not have close business relationship or potential employment with the Company.	Yes
9. The appointed CPAs or members of the audit team do not take care of money on behalf of the Company.	Yes
10. The appointed CPAs do not provide non-audit service items that may directly affect the audit of the Company.	Yes
11. The appointed CPAs do not have intermediary of shares or other securities issued by the Company.	Yes
12. The appointed CPAs do not act as the Company's defender or coordinate conflicts with other third parties on behalf of the Company.	Yes
13. Whether the professionalism and professional services of the appointed CPAs meet the needs of the Company.	Yes
14. Whether the appointed CPAs completed inspection or review report of the Company within the prescribed time limit.	Yes

<table>
<tr><td></td><td></td><td></td><td><table><tr><td>15. Whether the appointed CPAs have fulfilled the duty of confidentiality of the Company's secrets obtained from the entrusted matters.</td><td>Yes</td></tr></table>
2. Furthermore, the Company evaluates the independence and suitability of certified accountants in 2025 in accordance with the provisions of Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and refers to the audit quality indicators (AQIs). And was reviewed and approved by the Audit Committee and approved by the board of directors on November 13, 2025.</td><td></td></tr>
<tr><td>IV. Does the Company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance Supervisor responsible for corporate governance matters (including but not limited to providing information for Directors and Supervisors to perform their duties, assisting Directors and Supervisors with regulatory compliance, handling matters related to Board Meetings and Shareholders' Meetings, and preparing proceedings for Board Meetings and Shareholders' Meetings)?</td><td>✓</td><td></td><td>On 12 August 2021, the Company complied with the regulations of the “Main Points of Matters to be Followed by the Board of Directors of OTC Companies to Executing their Powers”, The resolution of appointing Wang, Cheng-Wen, the deputy General Manager, as the Director of corporate governance has been approved. He possesses more than ten years of experience in financial management of public offering companies, and the major responsibilities includes:
1. Handle matters related to meetings of the board of directors and shareholders' meetings
2. Prepare proceedings of Board Meetings and Shareholders’ Meetings
3. Assist Directors in their appointment and continuing education.
4. Providing Information Necessary for Directors to Execute the duties.
5. Evaluate and take out “Directors and Officers Liability Insurance”
6. Report to the Board of Directors the results of its review of whether the qualifications of independent directors at the time of nomination, election and term of office comply with relevant laws and regulations.
7. Handle matters related to the Company's industrial and commercial change registration.
8. Other matters as stipulated in the Company’s Articles of Incorporation or Contracts.
Continuing education for corporate governance supervisors in 2025:</td><td>No significant difference.</td></tr>
</table>

<table>
<tr>
<td></td>
<td></td>
<td></td>
<td>
<table>
<tr><th>Date</th><th>Name of course</th><th>Course hour</th></tr>
<tr><td>August 8, 2025</td><td>Briefing Seminar on Insider Shareholding for TPEx and Emerging Stock Companies</td><td>3 hours</td></tr>
<tr><td>October 28, 2025</td><td>Practical Challenges and Response Strategies for IFRS 18</td><td>3 hours</td></tr>
<tr><td>November 19, 2025</td><td>Regulatory Requirements and Practical Analysis of Loans of Funds, Endorsements and Guarantees, and Acquisition or Disposal of Assets</td><td>6 hours</td></tr>
</table>
</td>
<td></td>
</tr>
<tr>
<td>V. Does the Company establish channels for communications with stakeholders (including but not limited to shareholders, employees, customers and suppliers), and set up a section for stakeholders at its official website with proper response to stakeholders on issues of corporate social responsibility for their concern?</td>
<td>✓</td>
<td></td>
<td>The Company has set up employees, investors, communities, non-governmental organizations, customers and suppliers and other stakeholders services. The contact information has been put on the Company website as a communication channel between the Company and stakeholders.
<table>
<tr><th>Stakeholder</th><th>Important issues of concern</th><th>Communication channel and responses</th></tr>
<tr><td>Shareholders and investors</td><td>Operating performance
Corporate governance
Shareholders’ equity</td><td>● Disclose the Company's financial performance regularly through the stock exchange website and annual report. Review and analyze operating conditions and data.
● Hold Shareholders’ Meetings on regular basis. Explain operating performance to investors and respond to related concerns.
● Simultaneously publish important real-time information on the Market Observation Post System of the Taiwan Stock Exchange and the Company’s website.
● Set up an email address and contact numbers on the Company’s website to set up a</td></tr>
</table>
</td>
<td>No significant difference.</td>
</tr>
</table>

					smooth communication channel for investors.	
			Community/ Non-Governmental Organization Services	Social engagement Environmental protection	● Participation in social welfare activities ● Greenhouse gas inventory	
			Customers	Customer relationship management Product quality	● Customer satisfaction survey ● Daily Business Communication and Regular Meetings ● Adhering to customer requirements for products, environment, and responsibility: collaborating with customers on product, environmental, and responsibility requirements, audits, and cooperating in prevention and continuous improvement ● Product quality management	
			Supplier	Supplier management	● Regular supplier appraisal ● Monitoring of incoming inspection sampling according to GP standards	
			Employee	Employee benefits measures Education training Performance evaluation Occupational health and safety	● Establishment of employee communication and grievance channels and regular holding of labor-management meetings ● Implementation of comprehensive compensation and benefits systems to provide employees with fair treatment and rewards	

			● Regularly organize various educational training courses every year ● Conduct performance appraisal annually ● Obtained ISO 45001 Occupational Health and Safety Certification	
VI. Does the Company commissioned a professional investor service agent to handle matters pertinent to the Shareholders Meeting?	✓		The Company appointed Horizon Securities Co., Ltd. to handle affairs related to the shareholders' meeting.	No significant difference.
VII. Transparency of information (I) Does the Company establish a website for the disclosure of information on the financial position and business of the Company?	✓		The Company’s website: http://www.tradetools.com.tw Regularly update and maintain the financial business and corporate governance related information on the website.	No significant difference.
(II) Does the Company adopt other means of information disclosure (such as set up websites in English language, appointment of designated person to collect and disclose information for the Company, proper pursuit of the system of spokesman, and the upload the record on the entire process of institutional investors conferences to the Company website)?	✓		The Company designates a dedicated person to be responsible for the collection and disclosure of company information, and the spokesperson and acting spokesperson will speak on behalf of the Company to ensure that the information that may affect the decision-making of shareholders and interested parties can be disclosed in a timely and appropriate manner.	No significant difference.
(III)Does the Company disclose and declare its annual financial reports within two months after the end of the fiscal year, and declares its financial reports in Q1, Q2, and Q3, and the monthly business reports before respective deadlines at regular intervals?		✓	The Company's annual financial report cannot be announced in advance within two months after the end of the fiscal year due to internal operations. However, the Company's quarterly financial reports and monthly operating conditions are announced and reported on the day before the deadline stipulated by the competent authority.	Although there was a slightly different from the provisions of the Corporate Governance Best Practice Principles for TWSE Listed and TPEx Listed Companies, we still complete the declaration within the time limit stipulated by the law.

VIII. If there any important information that helps to under the pursuit of corporate governance of the Company (including but not limited to employee rights, employee care, investor relation, supplier relation, stakeholder right, continuing education of the Directors, risk management policy and risk assessment standard in action, customer policy in action, taking professional liability insurance for the protection of the Directors)?	✓		1.The Company has always treated its employees with integrity, and established a good relationship with them through various welfare measures and education and training. 2.The Company holds shareholders' meetings every year following the Company Act and relevant laws and regulations, giving shareholders sufficient opportunities to ask questions and make proposals. Additionally, the Company has a spokesperson system to deal with shareholders' suggestions and doubts. The Company discloses company information honestly in accordance with laws and regulations to protect the basic rights and interests of investors and fulfill the corporate responsibilities to shareholders. 3.The communication channels between the Company and suppliers are smooth and the interaction is well. 4.The investment relationship, supplier relationship and the rights of interested parties are all implemented in accordance with the Company's internal control system and management measures. And in accordance with the relevant laws and regulations to fulfill the responsibility of the enterprise to the society. 5.The Company's Directors participate in corporate governance courses in accordance with regulations. The Company holds at least one Board Meeting every quarter. More than half of the Directors are present at each board meeting. 6.The implementation of risk management policies and risk measurement standards is based on job duties and responsibilities. In case of any special situation, it will be reported to the Board of directors at any time. The Company's Directors and Supervisors will attend the Board Meeting to evaluate and measure the risks of the Company's operations. In case of any special situation, it will be reported to the Board of directors at any time. The Company understands, analyzes and makes decisions on various major businesses. In addition, the Company has established a complete internal control system in accordance with relevant laws and regulations and implemented it effectively. Conduct risk assessments properly for major banks, customers and suppliers to reduce credit risks, and keep the seamless flow of communication channel. 7.Good communication with customers, and business units solve customers' problems at any time. 8.The Company has purchased liability insurance for Directors and.	No significant difference.

IX. Explain the corrective action taken in response to the evaluation result released by Corporate Governance Center of Taiwan Stock Exchange Corporation in the previous period, and special attention and additional effort on issues that needed to be addressed to at top priority: (Those who are not included in the rated company do not need to fill in)

The 2025 corporate governance evaluation results of the Company is listed as 21%-35% of TPEx listed companies. Considering the improvement of unscored items in the previous period and the new and revised indicators this year, the Company conducts self-assessment on the latest corporate governance evaluation indicators, and review the reasons for the discrepancies between the evaluation results and the self-evaluation. Furthermore, improve the unscored self-assessment items according to the degree of difficulty to meet the requirements of corporate governance.

The education and training of Directors in 2025:

Title	Name	Date of appointment	Date of study		Organizer	Name of course	Study hours	Whether the raining meet the regulation or not (Note1)
			Date of course (Start)	Date of course (End)				
Chairman/ Representative of judicial person	Chiang, Kai-Liang	May 29, 2025	June 24, 2025	June 24, 2025	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3	Yes
			September 9, 2025	September 9, 2025	Securities and Futures Institute	ESG Evaluation Indicators and Practical Response Strategies	3	Yes
Director	Chang, Ming-Hung	May 29, 2025	August 8, 2025	August 8, 2025	Taipei Exchange (TPEx)	Briefing Seminar on Insider Shareholding for TPEx and Emerging Stock Companies	3	Yes
			November 21, 2025	November 21, 2025	Taiwan Academy of Banking and Finance	Corporate Governance from a Legal Perspective: Essential Operational Risks and Responsibilities for Directors	3	Yes
Director	Lin, Sheng-Cheieh	May 29, 2025	October 17, 2025	October 17, 2025	Taiwan Internal Audit Association	Regulatory Analysis and Audit Focus for Boards and Functional Committees (Audit and Remuneration Committees)	6	Yes
Representative of judicial person	Chang, Hai-Yan	May 29, 2025 (Note2)	October 21, 2025	October 21, 2025	Accounting Research and Development Foundation	IFRS 18 “Presentation and Disclosure in Financial Statements”	3	Yes
			October 28, 2025	October 28, 2025	Accounting Research and Development Foundation	Practical Challenges and Response Strategies for IFRS 18	3	Yes
Independent director	Chen, Chun-Mao	May 29, 2025	September 2, 2025	September 2, 2025	Securities and Futures Institute	Amendments to the Regulations Governing the Establishment of Internal Control Systems and Practical Compliance for Financial Reporting	6	Yes
Independent director	Liu, Te-Shou	May 29, 2025	November 18, 2025	November 18, 2025	Accounting Research and Development Foundation	Practical Internal Control Applications for Sustainability Information Management by Internal Auditors	6	Yes
Independent director	Lin, Yun-Shan	May 29, 2025	July 9, 2025	July 9, 2025	Taiwan Stock Exchange	Cathay Sustainable Finance and Climate Change Summit Forum	6	Yes

Note 1: Refer to whether it meets the number of training hours, training scope, training system, training arrangement, and information disclosure stipulated in the “Directions for the Implementation of Continuing Education for directors and supervisors of TWSE Listed and TPEx Listed Companies

Note2: The corporate director, Ai Po Technology Co., Ltd., replaced its appointed representative with Ms. Chang, Hai-Yan on September 30, 2025.

The education and training of managers in 2025:

Title	Name	Date of study		Organizer	Name of course	Study hours
		Start	End			
Deputy General Manager, CFO, and corporate governance manager	Wang, Cheng-Wen	March 26, 2025	March 26, 2025	Accounting Research and Development Foundation	Applying Robotic Process Automation (RPA) to Enhance Internal Control Effectiveness	6
		August 8, 2025	August 8, 2025	Taipei Exchange (TPEx)	Briefing Seminar on Insider Shareholding for TPEx and Emerging Stock Companies	3
		September 18, 2025	September 18, 2025	THE ALLIED ASSOCIATION FOR SCIENCE PARK INDUSTRIES	Introduction to the Anti-Money Laundering Act and Case Studies	3
		September 18, 2025	September 18, 2025	THE ALLIED ASSOCIATION FOR SCIENCE PARK INDUSTRIES	Analysis of IFRS Sustainability Disclosure Standards	3
		October 28, 2025	October 28, 2025	Accounting Research and Development Foundation	Practical Challenges and Response Strategies for IFRS 18	3
		November 19, 2025	November 19, 2025	Taiwan Internal Audit Association	Regulatory Requirements and Practical Analysis of Loans of Funds, Endorsements and Guarantees, and Acquisition or Disposal of Assets	6
Associate General Manager	Wang, Pei-Fang	April 30, 2025	April 30, 2025	Accounting Research and Development Foundation	Practical Workshop on the Preparation and Filing of Sustainability Information	6
		October 3, 2025	October 3, 2025	Accounting Research and Development Foundation	Practical Application of Sustainability Policies and Sustainability Disclosure Standards	6

(IV) If the Company has established a Remuneration Committee, the composition, responsibilities and operation should be disclosed:

After a complete board of directors election by the shareholders' meeting on May 29, 2025, the members of the 6th Remuneration Committee were appointed by the board of directors on August 12, 2025.

1. Information on members of Remuneration Committee

March 31, 2026

April 1, 2025Identity	Condition / Name	Professional qualification and Work experience	Independence status	Number of public companies where the independent director also holds positions as the member of remuneration Committee	Remarks
Independent director Convenor	Chen, Chun-Mao	● Please refer to the disclosure of Directors and Independent directors on P.P.12-14 of the annual report.		—	Re-elected on May 29, 2025
Independent director	Liu, Te-Shou			—	Re-elected on May 29, 2025
Independent director	Lin, Yun-Shan			—	Re-elected on May 29, 2025

2. Information on the operation of the Remuneration Committee:

(1) The Company's 5th Remuneration Committee consists of 3 members, and the 6th Remuneration Committee also comprises 3 members.

(2) Tenure of the 5th Remuneration Committee members: From August 8, 2022 ~ May 29, 2025.

The Remuneration Committee convened for 2 times (A) in the most recent year (2025) (A) .

The eligibility of the members and attendance to committee sessions of the members are specified below:

Title	Name	Actual frequency of attendance (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convenor (Independent director)	Chen, Chun-Mao	2	0	100.00	Re-elected on August 8, 2022. Dismissed on May 29, 2025.
Member (Independent director)	Liu, Te-Shou	1	1	50.00	Newly appointed on August 8, 2022. Dismissed on May 29, 2025.
Member (Independent director)	Lin, Yun-Shan	2	0	100.00	Newly appointed on August 8, 2022. Dismissed on May 29, 2025.

(3) Tenure of the 6th Remuneration Committee members: From August 12, 2025 ~ August 11, 2028.
The Remuneration Committee convened for 1 time (A) in the most recent year (2025) (A) .
The eligibility of the members and attendance to committee sessions of the members are specified below

Title	Name	Actual frequency of attendance (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convenor (Independent director)	Chen, Chun-Mao	1	0	100.00	Re-elected on August 12, 2025.
Member (Independent director)	Liu, Te-Shou	0	1	0.00	Re-elected on August 12, 2025.
Member (Independent director)	Lin, Yun-Shan	1	0	100.00	Re-elected on August 12, 2025.

The operation of Remuneration Committee for 2025 is as follow:

Date of the session	Content of the motions and follow-up action	Resolutions	Response of the Company to the opinions of the Remuneration Committee
January 23, 2025 6th Meeting, 5th Term	1. Discussion of the amount of the Chairman's year-end bonus for 2024. 2. Discussion of the amount of management year-end bonuses for 2024. 3. Discussion of the content and amount adjustments of management remuneration.	Approved unanimously by all attending members of the Remuneration Committee.	After consultation with the independent directors by the Chair, the Board of Directors approved the proposals in accordance with the recommendations of the Remuneration Committee.
March 6, 2025 7th Meeting, 5th Term	1. Discussion of employee compensation for management personnel of the Group for 2023. 2. Discussion of the definition and scope of non-managerial employees of the Company.	Approved unanimously by all attending members of the Remuneration Committee.	After consultation with the independent directors by the Chair, the Board of Directors approved the proposals in accordance with the recommendations of the Remuneration Committee.
November 13, 2025 1st Meeting, 6th Term	1. Discussion of business execution expenses of the corporate director's appointed representative.	Approved unanimously by all attending members of the Remuneration Committee.	After consultation with the independent directors by the Chair, the Board of Directors approved the proposals in accordance with the recommendations of the Remuneration Committee.

Additional information:

I. If the board turned down or revised the recommendation of the Remuneration Committee, specify the date, session of the Board, the content of the motion, the resolution of the board and the response of the Company to the opinions of the Remuneration Committee (if the resolution on remuneration passed by the board is senior to the recommendation of the Remuneration Committee, explain the difference and the reason): None.

II. If there is any adverse opinion or qualified opinion on record or in written declaration on the resolutions of the Remuneration Committee, specify the date, session of the committee meeting, content of the motion, opinions of all members and response to the opinions of the members: None.

3. Responsibilities of Remuneration Committee

The Company's Remuneration Committee should exercise good faith and fulfill the following duties with due care, and submit its suggestions to the Board of directors:

(1) Regularly review the Company' Remuneration Committee Charter and propose modify suggestions.

(2) Formulate and regularly review the Company's policies, systems, standards and structures for performance evaluation and remuneration to directors and managers.

(3) Regularly evaluate the achievement status of performance targets of directors and managers and formulate their individual remuneration content and amount.

(V) The advocacy of sustainable development and variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEx Listed Companies, and the reason:

Evaluation Item	Implementation Status			Deviations from "the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
I. Does the Company establish a governance framework for promoting sustainable development, set up a dedicated (or concurrent) unit responsible for sustainability initiatives, authorize senior management by the Board of Directors to handle implementation, and ensure supervision by the Board of Directors?	✓		At present, the chairman and of the Company cooperate with the heads of various departments to jointly review the Company's core competencies. The Company holds regular meetings and sets up taskforces according to different issues, identifies sustainable issues related to the Company's operations and stakeholders' concerns, and formulates goals and work guidelines. The Company reports the results of sustainable development and future work plans to the board of directors before the end of each year. The board of directors is responsible for the supervision of the Company's sustainable development strategy, goal formulation and review measures. On November 13, 2025, a report was presented to the board of directors regarding the implementation of sustainable development in 2025. The proposal included: 1. Focusing on environmental protection issues, promoting greenhouse gas inventory, and continuously reducing carbon emissions. 2. Implementing workplace safety and creating a good working environment. 3. Implementing corporate governance and emphasizing on communication with stakeholders.	No significant difference.

<table>
<tr>
<td>II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the company’s operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?</td>
<td>✓</td>
<td></td>
<td>The Company's organizational structure for supervising, planning and implementing related risk management affairs include the General Manager’s office, internal audit and each responsible unit. The Company formulates the following year's operational goals and directions every year, covering the risk assessment of environmental, social and corporate governance issues related to operations.
<table>
<tr><th>Major issues</th><th>Risk evaluation items</th><th>Policy on risk management</th></tr>
<tr><td>Environment</td><td>Environmental protection</td><td>Passed ISO14001 Environmental Management System Certification.
Greenhouse gas emissions inventory conducted, with ongoing carbon reduction initiatives implemented to reduce greenhouse gas emissions.</td></tr>
<tr><td>Society</td><td>Occupational health and safety in the workplace</td><td>Regular employee health check-up.
Regular implementation of occupational safety education and training courses to ensure a safe working environment for employees.
Conducting regular maintenance and reporting of fire safety equipment according to regulations, and</td></tr>
</table>
</td>
<td>No significant difference.</td>
</tr>
</table>

					organizing regular fire safety drills to enhance colleagues' awareness of disaster prevention and response capabilities.		
			Corporate governance	Socioeconomics, legal compliance, director capability enhancement	● Implement internal control mechanisms to ensure that company's personnel and operations comply with laws and regulations. ● Plan training courses for directors to enhance the knowledge of the latest laws and regulations and systems. ● Periodic communications between CPAs and the and audit managers and independent directors to strengthen corporate governance.		

III. Environmental issue (I) Does the Company establish proper environmental management system based on its industrial characteristics?	✓		(I) The Company's "Production Cycle" of internal control system has formulated environmental protection safety and sanitation rules in the regulations. The Company complies with the "Labor Safety and Health Act", "Pollution Control Act", "Air Pollution Control Act, "Noise Control Act" and other related laws and regulations. The Company's China subsidiary obtained ISO14001(note 1) "environmental management system certification" and ISO45001 (Note1) "Occupational Safety and Health Management Systems" Subsidiaries in China conduct multi-faceted management for environment and occupational safety and comply with domestic environmental, safety and health regulations to reduce the operation risks related to environmental protection. (Note 1) ISO 14001 has been implemented at Hunan Baoyuan Automotive Parts and Henan Baoheyuan Auto Parts; ISO 45001 has been implemented at Henan Baoheyuan Auto Parts The Company's product manufacturing process includes a cleaning process. The cleaning agent used in the process avoids using of domestically or internationally controlled substances, such as ozone depleting substances, and replacing those substances with other less toxic substances to reduce the impact on the environment, and lower the possibility of exposing the operators to hazardous chemicals. The related domestic sewage is sent to the sewage treatment plant through pipelines.	No significant difference.
(II) Does the Company make effort in upgrading energy efficiency and using regenerated materials for mitigating the impact on the environment?	✓		(II) In order to integrate and promote the Company's environmental protection, safety and sanitation, energy saving and other related work, we are committed to improving the utilization efficiency of various resources and reducing the negative impact on the environment. In terms of	No significant difference.

			environmental safety and health, we are committed to becoming a sustainable development enterprise. 1. The Company has set up recycling bins for resource classification. The Company also advocates the social responsibility of recycling to employees from time to time. 2. The Company also avoids the use of disposable cutleries. 3Waste oil generated during machinery operations is periodically entrusted to licensed waste disposal companies for proper treatment.	
(III) Does the Company assess the potential risk and opportunity to the enterprise bring about by climate change, and take appropriate measures in responding to climate change issues?	✓		(III) In the face of global climate risk issues, the Company's assessment of potential risks of climate change includes Rising price levels, which leads to an increase in raw material costs and production costs, extreme weather such as typhoons and floods, which cause operational interruptions, affect employees' lives, and supply interruptions from suppliers, greenhouse gas reduction and net-zero emission trends, which increase the company's operating costs. To reduce the aforementioned potential risks, the Company adopts the following adaption strategies, such as continuously monitoring climate-related legislative amendments status and trends, assessing potential impacts, developing response strategies and implementing solar photovoltaic systems to increase renewable energy and reduce the dependency on purchased electricity and promoting energy conservation and carbon reduction measures and development. Since 2018, the Company has voluntarily disclosed the status of carbon emissions and reviewed its carbon management capabilities. In 2021, the Company followed the ISO14064-1 standard procedures to conduct greenhouse gas inventory, data collection, and emission calculations in each factory, and passed the ISO14061-1 (Note 2) external verification company verification. (Note 2) The company obtained ISO14061-1 verification: Tradetool Auto Co., Ltd.(2021 to 2024) and Tan De Tech (2021).	No significant difference.

<table>
<tr>
<td>(IV) Does the Company keep statistical data on the greenhouse gas emission volume, water consumption capacity and weight of solid wastes in the past two years, and make policies of energy saving and carbon reduction, greenhouse gas reduction, efficient use of water or the management of solid wastes?</td>
<td>✓</td>
<td></td>
<td>(IV) The Company's greenhouse gas emissions, water consumption and total waste weight in 2025 and 2024 are as follows:
1. Greenhouse gas:
The Company has implemented greenhouse gas emissions management practices. Major operating sites in Taiwan, namely Yuan Chuang Precision and Tan De Technology, obtained ISO 14064-1 greenhouse gas inventory certification and third-party verification by SGS as early as 2021. To further enhance the transparency of information disclosure, starting from 2025, the Company expanded the scope of assurance to include subsidiaries consolidated in the consolidated financial statements. The Company engaged Jia Wei & Co., CPAs to perform greenhouse gas verification to ensure the accuracy and consistency of the Group’s emissions data.

Unit: tons
<table>
<tr><th>Item</th><th>2025</th><th>2024</th></tr>
<tr><td>Scope 1</td><td>304.00</td><td>350.99</td></tr>
<tr><td>Scope 2</td><td>2,957.07</td><td>5,194.43</td></tr>
<tr><td>Greenhouse gas emission intensity (Note 1)</td><td>3.0042</td><td>4.4488</td></tr>
</table>
In 2025, the Company’s greenhouse gas emission intensity decreased significantly by approximately 32.5% compared with 2024. This was primarily attributable to the Company’s proactive implementation of various carbon reduction measures, which resulted in a reduction in total greenhouse gas emissions that substantially exceeded the pace of change in revenue. The outcome reflects the Company’s effectiveness in enhancing energy efficiency and carbon productivity and is consistent with the Company’s long-term emission reduction objectives.</td>
<td>No significant difference.</td>
</tr>
</table>

			Greenhouse Gas Reduction Measures o Equipment Upgrades and Energy Efficiency Improvements: Priority is given to the procurement of equipment with recognized environmental and energy-saving certifications. LED energy-efficient lighting has been fully installed across offices and plants, and solar-powered lighting systems have been deployed within factory premises. o Optimized Energy Management: Strict temperature control measures are implemented for air-conditioning systems, with cooling activated when indoor temperatures exceed 26°C and heating activated when temperatures fall below 16°C. Lighting in common areas is turned off during lunch breaks and after working hours, and employees are encouraged to adopt energy-saving practices, such as switching off lights and unplugging electrical devices when not in use. o Thermal Insulation Measures: Shading curtains have been installed in areas exposed to direct sunlight to reduce solar heat gain and lower air-conditioning loads. o Low-Carbon Transportation and Digitalization: Corporate vehicles are being gradually transitioned from fuel-powered vehicles to electric vehicles. Electronic approval workflows are promoted to support paperless office operations, thereby reducing paper and toner consumption. Future Emission Reduction Targets In alignment with international emission reduction trends and taking into account technical feasibility and economic effectiveness, the Company has established the following targets: by 2025, using	

2021 as the baseline year, the Company aims to achieve a 1% reduction in electricity consumption intensity and a 1% increase in the proportion of renewable energy use.

2. Water consumption of the two years:

Unit: tons

Item	2025	2024
Tap water consumption	15,733	22,311
Water density (Note 1)	14.4946	17.8989

The Company places a strong emphasis on the sustainable use of water resources and water conservation. Through the implementation of daily conservation measures and the optimization of site management, the Company reduced its total tap water consumption in 2025 by 6,578 metric tons compared with 2024, representing a significant year-on-year decrease of 29.5%. Amid fluctuations in revenue and production activities, water intensity was also improved from 17.8989 to 14.4946, reflecting the Company's success in enhancing water use efficiency through improved management processes and in advancing its low-resource-intensity operating objectives.

Water Conservation Measures

To strengthen water resource resilience, the Company has implemented the following specific conservation measures, focusing on both source control and behavioral improvement:

(1) Infrastructure Upgrades: Sensor-activated automatic faucets have been fully installed in restroom facilities across plant sites, effectively preventing water wastage caused by human oversight.

			(2) Precision Environmental Maintenance: While maintaining healthy plant growth, irrigation frequency for landscaped areas has been systematically optimized. In addition, the Company has further strengthened 5S management practices (Sort, Set in order, Shine, Standardize, Sustain) across plant sites to maintain a high level of operational cleanliness, thereby reducing the need for large-scale washing and frequent water use for environmental maintenance. (3) Process Efficiency Enhancement: Continuous monitoring is conducted to promptly identify and address potential pipeline leakage risks, ensuring that every unit of water is utilized effectively. With due consideration given to technological feasibility and economic effectiveness, the Company is committed to the continued implementation of water reduction initiatives. Using 2021 as the baseline year, the Company has set a target to achieve a reduction of at least 1% in total water consumption by 2025. Based on the implementation results in 2025, the Company has already achieved and exceeded its phased water reduction targets ahead of schedule and will continue to explore new water-saving technologies to support its transition toward environmental sustainability.	

3. Total weight of waste for the two years:

Item	2025	2024
The total weight of non-hazardous waste	2,959	4,233
The total weight of hazardous waste	0	0
Non-hazardous waste density (Note 1)	2.9450	3.3959
Hazardous waste density (Note 1)	0	0

Unit: tons

(Note 1) The density is calculated based on the revenue (in thousands of dollars)

(Note 2) The above data includes statistical information from subsidiary companies

The Company places strong emphasis on resource recycling and waste minimization by implementing waste reduction at the source and ensuring proper waste handling. The Company has fully obtained ISO 14001 Environmental Management System certification.

In 2025, the total volume of non-hazardous waste decreased significantly by 30.1%. Benefiting from process optimization and precise material usage management, waste intensity was effectively reduced, while the Company continued to maintain zero hazardous waste generation. All waste generated by the Company is entrusted to duly licensed waste disposal contractors for recycling and recovery, thereby minimizing environmental impact.

Quantitative Targets: The Company has set a target to achieve a reduction of at least 1% in waste intensity by 2025, using 2021 as the baseline year. Based on the 2025 performance data, the Company has already demonstrated strong capabilities in production efficiency improvement and waste reduction management.

			The Group’s subsidiaries in Taiwan have entered into wastewater treatment outsourcing agreements with the Industrial Development Bureau of the Ministry of Economic Affairs. Process wastewater and domestic wastewater are collectively discharged to centralized wastewater treatment facilities and are subject to regular testing by professional institutions to ensure compliance with applicable regulatory discharge standards, thereby reducing direct environmental impact.	

IV. Social issues (I) Does the Company establish related policies and procedures in accordance with applicable legal rules and the International Conventions on Human Right?	✓		(I) The Company is committed to the implementation of dignified labor practices. In accordance with the Universal Declaration of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and applicable domestic labor laws and regulations, the Company has established a Human Rights Policy. The scope of management covers Yuan Chuang Precision and its subsidiaries, with the Human Resources Department responsible for the promotion and implementation of the policy.	No significant difference.
(II)Does the Company establish and pursue reasonable employee benefit policies (including remunerations, leaves and other benefits), and reflect operation performance or result appropriated in the remuneration to employees?	✓		(II) The Company understands that the employees are the important assets of the company and provides a competitive overall salary system and multiple welfare measures. The relevant measures are as follows: 1. Employees' remuneration: The Company's Articles of Association has stipulated that if there are profits in the year, no less than 2% and no more than 10% should be allocated as employee remuneration. The Remuneration Committee is in charge of setting up and reviewing the performance evaluation and policies, systems, and standards on remuneration to directors and managers. 2. Employee welfare measures: The Company has set up an employee welfare committee, which is responsible for planning and providing various benefits for employees, such as marriage, childbirth, funeral subsidies, employee travel subsidies, and other welfare measures. 3. Workplace diversity and equality: In the Taiwan headquarter, the proportion of female employees in 2025 was 80%.	No significant difference.
(III) Does the Company provide a safe and healthy environment for the employees at workplace, and provided education on safety and health at regular intervals?	✓		(III) The Company and our affiliates provide good working environments and pay attention to employee safety and health education, and the relevant measures are as follows:	No significant difference.

			1. During the new employee orientation, new employees are educated and trained on the working environment, safety regulations, etc. so they know more about the hazards and dangers that may occur in their working environment. For current employees, the factory sets up occupational safety and health training personnel to give occupational safety education training course regularly, to make sure that we provide a safe working environment for employees. 2. The factory complies with regulations by conducting regular maintenance and reporting of fire safety equipment, as well as holding periodic fire safety drills to enhance employees' awareness of disaster prevention and their ability to handle emergency situations. In 2025, there were no instances of fire throughout the entire group. 3. The Company and its affiliated companies have strict access control and are equipped with 24-hour guards. The Company implements regular security inspections to prevent illegal personnel from entering, and make sure the personal safety protection of each office area and factory. 4. For factory machinery and equipment, regular inspections are conducted to confirm that the relevant equipment is operating normally. Relevant operators are required to wear earplugs, goggles, gloves and steel-toed shoes to ensure work safety. A total of 4 occupational accidents occurred in the Company and its	

			subsidiaries in 2025, accounting for 1.5% of the total number of employees in the group. When an accident occurs, an investigation team will be organized by the personnel of the environmental safety and relevant departments of each factory to discuss and review the cause of the accident and issue an accident investigation report. For occupational accidents, in addition to strengthening employee safety propaganda and education and training, protective fences are also added to areas where accidents occur for effective protection. 5. The Company's subsidiaries China (Henan Baoheyuan) have obtained ISO45001:2018 Occupational health and safety management systems certification.	
(IV) Does the Company establish effective career development planning and training program for the employees?	✓		(IV)The Company plans an "education and training plan" every year according to the needs of employees' capabilities. The training courses include orientation training, professional capacity training, etc., to help employees improve their skills.	No significant difference.

(V) Regarding customer health and safety, customer privacy, marketing and labeling of product and services, does the Company complied with applicable legal rules and international standards, and established the policies for the protection of consumer or customer rights and procedure for complaints?	✓		(V) The Company implements the IATF quality system to ensure quality and environmental protection. And the Company will carry out labeling and other operations according to customer's Green Products Standard(GP), to comply with relevant laws and regulations and international standards. The Company and its affiliates attach importance to the maintenance of customer relationship, and provide relevant operating procedures to handle customer complaints. We put emphasis on product quality and consumer rights, with written regulations on "Customer Complaint Handling Procedures" to try to solve and deal with customer complaints as soon as possible. If customers have comments or complaints, they can submit their opinions through the "Stakeholders Zone" on the Company's website. For accepted cases, the Company handles them in accordance with relevant regulations and procedures.	No significant difference.

(VI) Does the Company establish policies for the management of suppliers and required suppliers to comply with applicable rules and regulations governing environmental protection, occupational safety and health, or human rights of the labor, and the pursuit of these policies?	✓		(VI)The Company maintains good interactive relationships with suppliers and safeguard the reasonable rights and interests of both parties on the basis of mutual trust and reciprocity. The Company established a "supplier management program" to ensure that the supplier's delivery date, quality and price meet the Company's needs. The materials entering the Company premises comply with national laws and regulations and the Company's own safety and health requirements. The Company has implemented procedures to require suppliers to provide certificates related to the environment; the transaction will be terminated if one fails to provide any certificate. When our factory purchases raw materials, we regularly obtain external inspection reports, SDS safety data sheets, etc. from suppliers. In this way, we can make sure the products do not contain hazardous ingredients. The relationship between the Company and suppliers upholds the principle of good faith and mutual benefit. Therefore, there is no mention in the contract of violating the relevant clauses of the corporate social responsibility policy. We will consider improving corporate social responsibility together by cooperating with suppliers at appropriate timing.	No significant difference.
V. Does the Company consult the internationally adopted standard or guide in compiling its Sustainability Report for disclosure of non-financial information on the Company? Has the aforementioned reports been accredited or guaranteed by a third party accreditation institution?		✓	The Company has prepared the 2025 Sustainability Report with reference to internationally recognized reporting standards. The report is currently still under preparation, and there are no plans at this stage to obtain external assurance or verification. The Company will disclose the implementation of advocating sustainability development.	The Company has not yet complied with the Code of Practice for Sustainable Development of Listed OTC Companies has not yet meet Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies. We will conduct reviews and constantly make improvement.

VI. If the Company has established the Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE Listed and TPEx Listed Companies", specify the variation between the practice and the principles: The Company adopted the Sustainable Development Best Practice Principles as approved by the board of directors on August 10, 2024, and subsequently reported to the shareholders' meeting on May 30, 2024. There are no significant differences between the company's sustainability practices and the principles set forth in the guidelines.
VII. Any other vital information that helps to under the pursuit of sustainability better: On November 11, 2024, the board of directors approved the establishment of the Sustainability Report Preparation and Assurance Procedures and the Sustainability Information Management Guidelines to support the Company's commitment to sustainable development.

(Note) The execution status of climate-related information:

Item	Implementation Status
1. Please specify the supervision and governance by the board of directors and management regarding climate-related risks and opportunities.	In response to the high level of uncertainty brought about by climate change, as well as the rapidly evolving policy and market environment, the Company actively incorporates climate-related factors into its corporate strategy and long-term action plans. This approach ensures that decision-making and operational planning can proactively address the challenges posed by climate change. The board of directors serves as the highest governance body for climate change oversight and governance, conducting an annual review of the impact of climate-related risks on operations and supervising the implementation and effectiveness of the Company's response measures. The Company places strong emphasis on the potential risks and opportunities arising from climate change. At present, the Office of the President serves as the central unit responsible for the execution and integration of climate-related matters, including cross-departmental coordination. Together with department heads and relevant personnel, the Office of the President conducts the identification, assessment, and response planning for climate-related risks and opportunities. Following consolidation and preliminary review by the Office of the President, the identification and assessment results of climate-related issues are reported by the Chairperson and the President to the Board of Directors. Such reports include material climate-related risks and opportunities, their potential impacts on the Company's operations and financial performance, as well as the corresponding management strategies and implementation status. Through deliberation and guidance, the Board of Directors provides timely oversight of management's risk control measures and strategic initiatives, ensuring that climate-related issues are appropriately incorporated into the Company's governance framework and operational decision-making processes. In addition, the Audit Committee, in accordance with the "Sustainability Information Management Regulations," periodically evaluates the effectiveness of the internal control system and climate risk management practices. This further strengthens oversight and governance of climate-related risks and opportunities, ensuring that such matters are duly incorporated into corporate governance and operational decision-making considerations.

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr>
<td>2. Please specify how identified climate risks and opportunities will impact the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).</td>
<td>
The Company assesses the potential impacts of climate-related risks and opportunities, conducts a comprehensive review of facility operations, and formulates corresponding solutions. These efforts aim to mitigate the operational and financial impacts of climate change and enhance the organization's climate resilience.
By defining the short term as within 3 years, the medium term as 3 to 5 years, and the long term as over 5 years, and carefully assessing materiality intervals in collaboration with the Finance Department, the Company identifies and consolidates the potential operational and financial impacts of climate-related risks and opportunities. This approach serves as a basis for planning and implementing corresponding actions to address future climate-related risks and opportunities. During the year, a total of one material physical risk, three material transition risks, and three material climate-related opportunities were identified. The identification results are summarized as follows:
<table>
<tr><th colspan="3" rowspan="2">Risk / Opportunity Type</th><th colspan="3">Potential Impact Time Horizon</th></tr>
<tr><th>Short Term (Within 3 Years)</th><th>Medium Term (3–5 Years)</th><th>Long Term (Over 5 Years)</th></tr>
<tr><td>Physical Risk</td><td>R1</td><td>Increased severity of extreme weather events such as typhoons and floods</td><td>◎</td><td>◎</td><td></td></tr>
<tr><td rowspan="3">Transition Risk</td><td>R2</td><td>Total greenhouse gas emission controls and carbon taxes / fees</td><td>◎</td><td></td><td></td></tr>
<tr><td>R3</td><td>Governance risks arising from regulatory and policy uncertainty</td><td></td><td>◎</td><td></td></tr>
<tr><td>R4</td><td>Pressure to phase out and upgrade traditional facilities</td><td></td><td>◎</td><td></td></tr>
<tr><td rowspan="3">Opportunity</td><td>O1</td><td>Deployment of rooftop renewable energy systems</td><td>◎</td><td>◎</td><td></td></tr>
<tr><td>O2</td><td>Development of low-carbon energy service markets</td><td>◎</td><td></td><td></td></tr>
<tr><td>O3</td><td>Identification of climate risks affecting the Company and its supply chain</td><td></td><td>◎</td><td></td></tr>
</table>
In response to the aforementioned climate-related risks and opportunities that may give rise to potential financial impacts, the corresponding response strategies are set out as follows.
(For details of the response strategies and financial impact assessments, please refer to Section 3.1 “Climate Strategy” of the Company’s 2025 Sustainability Report.)
</td>
</tr>
</table>

<table>
<tr><th>Item</th><th colspan="2">Implementation Status</th></tr>
<tr><td rowspan="7"></td><td colspan="2">Transition Risks / Climate Opportunities</td></tr>
<tr><td colspan="2">R: Total Greenhouse Gas Emission Controls and Carbon Taxes / Fees
O: Development of Low-Carbon Energy Service Markets</td></tr>
<tr><td>Potential Financial Impacts (– / +)</td><td>Response Strategies</td></tr>
<tr><td>－ If greenhouse gas emissions reach carbon fee thresholds, the Company may be required to pay carbon taxes or fees, resulting in increased operating expenses.
－To comply with emission reduction requirements, internal equipment replacement and technological upgrades may be required, leading to increased costs.
＋By expanding services related to the planning, procurement, and construction of solar photovoltaic projects for customers, the Company’s low-carbon product offerings respond to market demand for carbon reduction and renewable energy. This may help attract customers with decarbonization objectives and enhance market share.</td><td>• Personnel are assigned to participate in continuing education and research to gain early understanding of carbon tax regulatory mechanisms and to discuss response measures with senior management.
• The scope of the greenhouse gas inventory is continuously expanded. Starting in 2025, Scope 1 and Scope 2 emissions of certain subsidiaries included in the consolidated financial statements were incorporated to provide a more comprehensive view of the Group’s overall greenhouse gas emissions.
• To advance business diversification, the Company increased its investment in the green energy sector in June 2025 by raising its shareholding in Yuan Jie Photovoltaics System Co., Ltd. to 82%. The subsidiary focuses on solar energy design, electromechanical system integration, and EPC services, assisting enterprises in the installation of solar photovoltaic systems. The Company continues to expand its team to support business development and market expansion.</td></tr>
<tr><td colspan="2">R: Governance Risks Arising from Regulatory and Policy Uncertainty</td></tr>
<tr><td>－Frequent policy changes may require the Company to allocate additional resources to ensure regulatory compliance, resulting in higher compliance costs.
－Failure to disclose information within prescribed timelines may expose the Company to compliance risks, fines, or legal actions, increasing operating expenses.</td><td>• Regulatory developments are continuously monitored to ensure that business operations comply with the latest legal and regulatory requirements.
• A comprehensive risk oversight mechanism has been established to clearly define regulatory requirements and risk management procedures.
• Internal control measures are continuously enhanced to ensure compliant operational</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td>processes, supported by regular audits and reviews to reduce potential governance risks.</td></tr>
<tr><td colspan="2">R: Phase-Out and Upgrade Pressure on Traditional Facilities
O: Deployment of Rooftop Renewable Energy Systems</td></tr>
<tr><td>－As traditional equipment ages, maintenance and repair frequency may increase, resulting in higher maintenance or replacement costs.
－ Upgrading outdated high-energy-consumption equipment may require additional capital expenditures for servers, office equipment, and other information services.
＋By leasing factory rooftop space for the installation of solar photovoltaic systems, the Company may generate stable rental income.</td><td>• Measures include hardware maintenance, warranty coverage, and upgrade plans, with active elimination of obsolete facilities to enhance system stability and performance.
• The Company leases rooftop space at the Douliu plant to provide sites for solar power installations, generating rental income.</td></tr>
<tr><td colspan="2">Physical Risk / Climate Opportunity</td></tr>
<tr><td colspan="2">R: Increased Severity of Extreme Weather Events Such as Typhoons and Floods
O: Identification of Climate Risks Affecting the Company and Its Supply Chain</td></tr>
<tr><td>－Extreme weather events may cause flooding and damage to office premises and related equipment, increasing repair expenses.
－If assets sustain irreparable damage, early asset retirement may be required.

＋Accurate assessment and management of climate risks affecting the supply chain may enhance supply chain resilience, prevent production disruptions, and reduce operating costs.</td><td>• Management units are required to clearly define responsibilities and implement disaster prevention and response measures.
• Flexible remote working policies have been established to mitigate operational risks arising from extreme weather events.

• Climate risks have been incorporated into the Company’s comprehensive risk assessment framework to ensure that climate change and extreme weather events are fully considered in overall risk management.</td></tr>
</table>
</td></tr>
</table>

Item	Implementation Status
3. Please specify the financial impact of extreme weather events and transition actions.	**The financial impact of extreme weather events:** In recent years, the increasing frequency of extreme weather events has gradually heightened the risks faced by businesses. Typhoons, floods, and other severe climate conditions may damage operational facilities and hinder employee commutes, thereby affecting both operations and attendance management. These events not only raise operational and repair costs, but—given the Company's office-based environment—may also prevent employees from reporting to work, potentially delaying the headquarters' ability to make timely operational decisions and resulting in revenue decline. To address these risks, the Company has evaluated and adopted several measures. Internally, management units are required to clearly define their responsibilities, ensure proper waterproofing of exterior balconies and various areas of the building, prevent water leakage and damage, and improve waterproofing systems. Additionally, flexible remote work policies have been established to ensure that employees can continue working remotely during extreme weather events, thereby reducing property losses and the risk of operational disruption. Through these preventive actions, the company aims to enhance its resilience against climate-related risks, mitigate financial impacts, and maintain stable business development. Failure to respond in a timely manner could lead to increased operating costs and heightened reputational risks. **The financial impact of transition actions:** In terms of transition risks, the Company is required to address policy, regulatory, and reputational changes arising from the transition toward a low-carbon economy. In recent years, total greenhouse gas emission controls, carbon taxes or fees, regulatory uncertainty, and pressure to phase out and upgrade traditional facilities have become increasingly significant, potentially leading to higher operating costs or reduced revenue. Governments in various countries, including Taiwan, have progressively implemented total greenhouse gas emission control regimes and introduced carbon tax, carbon fee, and carbon trading mechanisms, while also setting emission reduction targets. As a result, companies face more stringent compliance requirements, which may increase carbon-related costs. In addition, regulatory uncertainties and the influence of international political developments on climate- and sustainability-related issues present further challenges for corporate decision-making, requiring senior management to continuously adjust operating strategies to address future risks. In response to tightening regulatory requirements, companies may need to accelerate the replacement of high-carbon-emission equipment to mitigate carbon exposure. Failure to do so could result in increased carbon fee or tax burdens. Overall, transition risks may increase operating costs and pose challenges to market positioning and corporate reputation. If not addressed in a timely manner, such risks may further affect the

Item	Implementation Status
	Company’s financial stability and competitiveness. With regard to transition opportunities, the Company has actively deployed resources in the low-carbon and renewable energy sectors in response to industry transformation trends and to create new growth momentum. Through participation in the capital increase of Yuan Jie Photovoltaics System Co., Ltd., the Company increased its shareholding to 82% in June 2025, thereby further expanding its investment in the green energy sector. Yuan Jie Photovoltaics System Co., Ltd. focuses on solar power system design, electromechanical system integration, and EPC engineering services, assisting enterprises in the installation of solar photovoltaic systems. The subsidiary continues to expand its professional team to support business development and market expansion. While this investment may lead to increased capital expenditures and operating costs in the short term, over the medium to long term, growth in the renewable energy market and continued policy support are expected to enhance the proportion of green revenue, diversify industry risks, and strengthen the Company’s overall operational resilience and sustainable competitiveness.
4. Please specify how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	The Company, under the leadership of the chairman and General Manager, collaborates with all departments to develop a structured process for identifying and assessing climate-related risks and opportunities This process is integrated into the Company's internal control system for sustainability information to enhance resilience in the face of climate change. The Company divides the overall assessment and management into four stages: identification, assessment, prioritization, and monitoring and improvement. The execution process for each stage is as follows: by referencing domestic sustainability trends and the status of related industries, the company evaluates potential climate risks and opportunities under current operational conditions. Discussions are held to assess the scope and magnitude of the impact of each issue on the Company's operations. Each department conducts evaluations based on the nature of its operations, identifying relevant climate risks and opportunities the company may face. The collected information is then consolidated and subjected to cross-departmental communication and evaluation to identify material risks and opportunities for the Company. With reference to the TCFD (Task Force on Climate-related Financial Disclosures) framework, the Company conducts financial risk assessments on the identified risks and opportunities. It also takes stock of current mitigation measures already implemented. This process is designed to provide senior management with a comprehensive evaluation mechanism to establish performance indicators and goals aligned with the Company’s operations. Finally, the General Manager's Office performs an overall assessment of the materiality of climate-related risks based on the impact and likelihood of each event. The results of this analysis are reported annually to the board of directors to ensure that resource allocation aligns with the company’s sustainability development strategy.

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>5. When using scenario analysis to assess resilience to climate change risks, the context, parameters, assumptions, analysis factors, and key financial impacts should be explained.</td><td>The Company references international scientific reports and domestic policy publications and adopts a medium-emissions scenario (SSP2-4.5) and a 2050 Net Zero Emissions scenario (NZE) as the basis for scenario analysis of physical risks and transition risks.
<table>
<tr><td>Physical Climate Scenario</td><td>After considering potential physical impacts, the severity of physical risk consequences, and the possible timing, locations, and affected assets, the Company adopts the medium greenhouse gas emissions scenario (SSP2-4.5) from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) for physical climate risk scenario analysis, as summarized below.

Medium-Emissions Scenario (SSP2-4.5)

Under this scenario, there is a greater than 50% probability that global temperature increase will remain below 3°C by 2100. By 2050, global greenhouse gas emissions are projected to remain broadly at current levels, followed by a gradual decline thereafter.</td></tr>
<tr><td>Transition Climate Scenario</td><td>Taking into account the policy direction of the National Development Council's "Taiwan's Pathway to Net-Zero Emissions by 2050" and the Company's own strategic objectives relating to carbon neutrality, the Company adopts the 2050 Net Zero Emissions (NZE) scenario for transition risk analysis, as summarized below.

2050 Net Zero Emissions Scenario (NZE)

This scenario outlines a pathway for the global energy sector to achieve net-zero emissions by 2050. Under the NZE scenario, the energy sector does not rely on external emission offsets to reach net-zero targets, and there is a greater than 50% probability that global average temperature increase will be limited to within 1.5°C by 2100. The Net Zero Emissions (NZE) scenario is consistent with the objectives of the Paris Agreement to limit global temperature increase to within 1.5°C above pre-industrial levels by the end of this century.</td></tr>
</table></td></tr>
<tr><td>6. If there is a transformation plan in place to address and manage climate-related risks, describe the contents of that plan, as well as the indicators and objectives used to identify and manage physical and transition risks.</td><td>At present, the Company does not yet have a transformation plan in place to manage climate-related risks; however, such a plan will be considered for future inclusion based on necessity.</td></tr>
</table>

Item	Implementation Status
7. If internal carbon pricing is utilized as a planning tool, the basis for price determination should be explained.	At present, the Company has not adopted internal carbon pricing as a planning tool; however, it will consider incorporating it in the future based on necessity and in alignment with energy-saving and carbon-reduction initiatives.
8. If climate-related goals are set, the activities covered, greenhouse gas emission scopes, planning timelines, annual progress towards achievement, etc., should be explained. If carbon offsetting with Renewable Energy Certification(RECs) is used to achieve these goals, the sources and quantities of offset carbon credits or the number of RECs should be detailed.	At present, the Company has not set climate-related goals; however, it will consider incorporating them into future planning based on necessity.
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans. (The relevant content are filled in Sections 1-1 and 1-2).	Please refer to the explanation in the table below.

1-1-1 Greenhouse Gas Inventory Information

Specify the greenhouse gas emissions (in tons of CO_2e), emission intensity (tons of CO_2e per million NTD), and the data coverage for the most past two years.
In accordance with Article 10 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies," all TWSE- and TPEx-listed companies are required to disclose climate-related information (Appendix 2-2-3). Greenhouse gas-related information is to be disclosed on a phased basis in accordance with the "Sustainability Development Roadmap for Listed and OTC Companies." As the Company is an OTC-listed company with paid-in capital of less than NT$5 billion, the applicable disclosure requirements are as follows:

1. The parent company is required to disclose greenhouse gas inventory information for 2025, starting from 2026.
2. Subsidiaries included in the consolidated financial statements are required to disclose greenhouse gas inventory information for 2026, starting from 2027.

The Company conducts its greenhouse gas inventory in accordance with ISO 14064-1:2018. In 2025, the scope of the greenhouse gas inventory was expanded to include subsidiaries consolidated in the consolidated financial statements, enabling comprehensive monitoring of greenhouse gas emissions.

Greenhouse Gas Inventory Data for the Most Recent Two Years (Operational Control Approach Applied)

Item		2024			2025		
		Total Emissions (tCO_2e)		Intensity (Note 2)	Total Emissions (tCO_2e)		Intensity (Note 2)
The Company	Scope 1		5.4875			3.6957	
	Scope 2		19.0498			19.7574	
	Scope 3	Employee Business Travel	0.2300		Employee Business Travel	0.2773	
		Purchased Goods and Services	4.7223		Purchased Goods and Services	4.9652	
	Subtotal		29.4896	2.4575		28.6956	2.6087
Subsidiaries Included in Consolidated Financial Statements (Note 1)	Scope 1					300.3044	
	Scope 2					2,937.3096	
	Scope 3					–	
	Subtotal					3,237.6140	3.2216
Total			29.4896			3,266.3096	

1-1-2 The greenhouse gas inventory assurance status for the past two years

Specify the assurance status for the past two years as of the annual report printing date, including the scope of assurance, the assurance provider, the assurance standards, and the assurance opinion.
Greenhouse gas assurance information is disclosed in accordance with the phased schedule stipulated in the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies." As the Company is an TPEx-listed company with paid-in capital of less than NT$5 billion, the applicable disclosure requirements are as follows: The parent company is required to disclose greenhouse gas assurance information for 2027, starting from 2028; Subsidiaries included in the

consolidated financial statements are required to disclose greenhouse gas assurance information for 2028, starting from 2029.

Item		2024			2025		
		Assurance Provider	Assurance Standard	Assurance Opinion	Assurance Provider	Assurance Standard	Assurance Opinion
The Company	Scope 1	SGS (SGS Taiwan Ltd.)	ISO 14064-3:2019	Reasonable Assurance	Jia Wei & Co., CPAs	ISO 14064-3:2019	Limited Assurance
	Scope 2						
	Scope 3			Limited Assurance	Not Assured		
Subsidiaries Included in Consolidated Financial Statements (Note 1)	Scope 1	–			Jia Wei & Co., CPAs	ISO 14064-3:2019	Limited Assurance
	Scope 2						Limited Assurance
	Scope 3				Not Assured		

Description:
Note 1: Subsidiaries included in the consolidated financial statements comprise Tan De Technology, Xiangyang Tradetool Automobile Parts Co., Ltd., Hunan Baoyuan Automotive Parts Co., Ltd., and Henan Baoheyuan Auto Parts Co., Ltd.

1-2 Greenhouse gas inventory and assurance status for the past two years

Specify details on the baseline year for greenhouse gas reductions, including the corresponding data, reduction targets, strategies, specific action plans, and the progress made towards achieving the reduction targets.
Not applicable. As the Company is an TPEx-listed company with paid-in capital of less than NT$5 billion, it has not yet reached the disclosure timeline required by the Financial Supervisory Commission, and therefore is not currently required to disclose the relevant information. In accordance with regulatory requirements, no later than 2026 as the baseline year, the Company is required to disclose its emission reduction targets, strategies, and specific action plans for 2027, and to continue updating such disclosures in subsequent years, including disclosure of the achievement status of the previous year's emission reduction targets.

(VI) Practice of ethical corporate government and the variation with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:

Items	The pursuit			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies
	Yes	No	Summary explanation	
I. Establishment of the ethical corporate management policy and action plans				
(I) Does the Company make policies of ethical corporate management passed by the board, and explicitly stated the ethical corporate management policy and related action plans, and the commitment of the Board and the senior management in the proper pursuit of the ethical corporate management policy?	✓		(I) The Company has stipulated the "Corporate Governance Best Practice Principles", "Codes of Ethical Conduct" and "Integrity Management Operation Procedures and Guidelines for Conduct" which have been approved by the board of directors. The contents clearly set forth the ethical corporate management policies to advocate to the board of directors, management and employees, all of which can uphold the principle of integrity.	No significant difference.
(II) Does the Company develop the mechanisms for the assessment of the risk of unethical practices, and conducted analysis and assessed the kind of business activities vulnerable to the risk of unethical practices within the scope of operation at regular intervals, and mapped out the solution for preventing such practices covering at least the preventive measures as stated in Paragraph 2 under Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies"?	✓		(II) The Company's "Corporate Governance Best Practice Principles" includes the preventive measures under Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies". All employees are required to uphold the principle of faith when conducting business dealings, and suppliers or other partners are asked to engage in transactions with honesty. In the event of any failure to comply with the principle, the Company will immediately report and disclose it on the Company's website after verification.	No significant difference.

Items	The pursuit			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies
	Yes	No	Summary explanation	
(III) Does the Company map out the solution for preventing unethical practices, and specified the operation procedures, code of conduct, penalty on violation and the system for complaints in the solutions, and properly implemented the plans with routine review and revision of the aforementioned solutions	✓		(III)The Company has formulated the related regulations, such as “Procedures for Ethical Management and Guidelines for Conduct”, “Measures for the Report on Illegal, Unethical and Dishonest Conducts” that dishonest behaviors, such as offering or taking bribes, engaging in fraud to make profit, and insider trading, are prohibited. The Company has set up a clear disciplinary system, and promote information to employees on a regular basis.	No significant difference.
II. Practice of ethical corporate management (I) Does the Company assess the record of integrity on the counterparties of trade, and explicitly stated the integrity clause in the contracts binding the counterparties and the Company?	✓		(I) The Company's trading partners don’t have any records of dishonest behavior. The Company will perform due diligence and evaluation before engaging in transactions to avoid dishonest behavior that damages the Company's rights and interests.	No significant difference.
(II) Does the Company establish a designated body charged with the advocacy of business integrity under ethical corporate management on a regular basis (at least once a year) basis under the direct supervision of the Board, and report to the Board of the ethical corporate management policy and the plans for prevention of unethical practices with monitoring on the enforcement of the plans at regular intervals (at least once a year)?	✓		(II) The General Manager’s office is currently a part-time unit that is responsible for promoting corporate ethical governance .The auditing unit is responsible for supervising the implementation and reporting the implementation of integrity management to the board of directors once a year. It reported to the board of directors the 2025 implementation of ethical governance on November 13, 2025. The contents of implementation include:	No significant difference.

Items	The pursuit			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies
	Yes	No	Summary explanation	
			1. Promotion of Ethic Policy awareness and training. 2. Establish an "Employee Opinion and Complaint Mailbox" for employees and related personnel to report any improper behaviors. In 2025, we did not receive any complaint.	
(III) Does the Company establish the policies for the prevention of the conflict of interest and appropriate channels for expression, and properly pursued these policies?	✓		(III) The Company has set forth policies for the prevention of conflict of interest and provided appropriate channels to voice opinions and implement the policies strictly. 1. The Company has expressly provided in the "Corporate Governance Best Practice Principles" and "Regulations Governing Procedure for Board of Directors Meetings" that directors, managers and other interested parties who attend or are present at the board meeting shall not use their positions in the Company to obtain improper benefits for themselves, their spouses, parents, children or others. Those who submit proposals on the board meeting agenda that may benefit themselves or the juridical person they represent which may cause harm to the interests of the Company may state their opinions and answer questions, but will not participate in discussion or voting.	No significant difference.

			2. The Company has expressly provided in the "Management of Employee Integrity" and "Social Responsibility and Business Ethics Management Regulations" that employees shall strictly abide by the code of conduct for recusing oneself to avoid conflict of interests.	
(IV) For the proper pursuit of ethical corporate management, has the Company established an effective accounting system and internal control system, with related audit plans designed by the internal audit function on the basis of the findings of the assessment on the risk of unethical practices basing on which audit on prevention of unethical practice will be conducted, or CPAs will be delegated for conducting the audit?	✓		(IV) The Company has set up effective accounting system and internal control system. The Company has no overseas accounts or secret accounts, and shall review the system at any time to ensure that the design and implementation of the system continue to be effective. The Company has established an audit unit under the Company's board of directors to perform internal audits. Auditors interview relevant personnel and collect relevant supporting materials when inspecting information related to integrity management. The Company appoints an accounting firm to conduct financial and tax compliance audit. Also, the Company conducts internal control tests for the Company to evaluate the effectiveness of the implementation of the internal control system.	No significant difference.
(V) Does the Company organize internal and external training on ethical corporate management at regular intervals?	✓		(V) The Company promotes employee integrity and asks employees to sign the "Employee Integrity Guarantee" during the employee orientation when they first join the Company, so the employees are able to understand more about the Company's ethical policies and complaint channels. A total of 25 hours of education and training on integrity management have been arranged in 2025.	No significant difference.

III. The functioning of the informing and complaint system of the Company (I) Does the Company establish the informing and complaint system and channels for facilitating informing and complaint, and appointed designated personnel to appropriately handle the personnel accused of unethical practice?	✓		(I) The Company has stipulated whistleblowing and reward measures in the “Anti-corruption and Bribery and Moral Improvement Measures”. Depending on the object of the whistleblowing, the General Manager or the Director of the factory affairs department is the dedicated person in charge of handling whistleblowing. The Company has provided whistleblowing channels on the Company’s website. The identity of whistleblower and the contents of whistleblowing are kept confidential. For those who violate the ethical conduct, depending on the seriousness of the case, punishment or dismissal will be given in accordance with relevant laws or “Reward and Punishment Management Measures”, or deal with the whistleblowing through the court system.	No significant difference.
(II) Does the Company establish the standard operation procedure for processing reports and complaints, the actions to be taken after the investigation, and the mechanisms of confidentiality?	✓		(II) The Company has set up standard operating procedures for the investigation of reported matters and the follow-up measures to be taken after the investigation is completed and related confidentiality mechanisms in “Integrity Management Guidelines”.	No significant difference.
(III) Does the company take measures to protect whistleblowers from being improperly dealt with due to whistleblowing?	✓		(III) The Company has promised to protect the whistleblowers from being improperly treated due to the whistleblowing, which is stipulated in Article 21 of the “Procedures for Ethical Management and Guidelines for Conduct”.	No significant difference.

<table>
<tr><th rowspan="2">Items</th><th colspan="3">The pursuit</th><th rowspan="2">Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary explanation</th></tr>
<tr><td>IV. Improve information disclosure
Does the Company disclose the content of its Ethical Corporate Management Best Practice Principles and the result of implementation at its official website and MOPS?</td><td>✓</td><td></td><td>The Company’s website:
http://www.tradetools.com.tw
The Company has disclosed the content of our Ethical Corporate Management Best Practice Principle. No record on violation of ethical corporate management by the Company.</td><td>No significant difference.</td></tr>
<tr><td colspan="5">V. If the Company has established its Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEx Listed Companies”, specify the practice and variation from the principles: No significant difference.</td></tr>
<tr><td colspan="5">VI. Any other vital information that help to understand the practice of ethical corporate management better: (e.g.: review and revise the Ethical Corporate Management Best Practice Principles):
Regularly arrange Directors to participate in relevant corporate governance courses to enhance their supervision and governance Capabilities. Improve the effectiveness of corporate governance and the implementation of honest management.</td></tr>
</table>

(VII) Any other vital information that helps to understand the pursuit of corporate governance by the Company better: None.

(VIII) Internal Control System Execution Status

1. Statement of Internal Control System

Tradetool Auto Co., Ltd.
Statement of Internal Control System

March 10, 2026

Based on the findings of a self-assessment, Tradetool Auto Co., Ltd. states the following with regard to its internal control system during the year 2025:

I. Tradetool Auto Co., Ltd.'s board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Tradetool Auto Co., Ltd. takes immediate remedial actions in response to any identified deficiencies.

III. Tradetool Auto Co., Ltd. evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations

IV. Tradetool Auto Co., Ltd. has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations

V. Based on the findings of such evaluation, Tradetool Auto Co., Ltd. believes that, on 31 December 2025, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations

VI. This Statement is an integral part of Tradetool Auto Co., Ltd.'s annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law

VII. This Statement was passed by the Board of directors in their meeting held on March 10, 2026, with none of the seven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Tradetool Auto Co., Ltd.

Chairman: Chiang, Kai-Liang

General Manager: Chang, Ming-Hung

2. If a CPA is appointed to conduct a dedicated audit on the internal control system, disclose the Auditor's Report: None.

(IX) Major resolutions of the shareholders' meetings and the board in the previous period to the date this report was printed:

<table>
<tr><th>Date</th><th>Major resolutions</th><th>Resolution result/Implementation status</th></tr>
<tr><td rowspan="8">May 29, 2025</td><td>Proposed resolutions:</td><td></td></tr>
<tr><td>1. Adoption of 2024 Business Report and Financial Statements.</td><td>Approved.</td></tr>
<tr><td>2. Adoption of the Proposal for 2024 Deficit Compensation.</td><td>Approved. In accordance with the resolution of the shareholders' meeting, capital surplus in the amount of NT$41,905,282 was used to offset accumulated losses. After implementation, accumulated earnings at the end of the period were NT$0.</td></tr>
<tr><td>Discussions:</td><td></td></tr>
<tr><td>1. Discussion on amendments to the Company' s Articles of Incorporation.</td><td>Approved.</td></tr>
<tr><td>Elections:
1. Re-election of directors of the Company.</td><td>List of Elected Directors
<table>
<tr><th>Candidate</th><th>Voting Rights</th><th>Elected</th><th>Remarks</th></tr>
<tr><td>Fu Ya Enterprise Co., Ltd. Representative: CHIANG, KAI-LIANG</td><td>84,882,751</td><td>v</td><td></td></tr>
<tr><td>CHANG, MING-HUNG</td><td>70,683,260</td><td>v</td><td></td></tr>
<tr><td>LIN, SHENG-CHIEH</td><td>60,073,560</td><td>v</td><td></td></tr>
<tr><td>Ai Po Tech.Co., Ltd.</td><td>46,340,182</td><td>v</td><td></td></tr>
<tr><td>CHEN, CHUN-MAO</td><td>20,803,152</td><td>v</td><td>Independent Director</td></tr>
<tr><td>LIU, TE-SHOU</td><td>19,799,604</td><td>v</td><td>Independent Director</td></tr>
<tr><td>LIN, YUN-SHAN</td><td>19,801,974</td><td>v</td><td>Independent Director</td></tr>
</table></td></tr>
<tr><td>Other Matters:</td><td></td></tr>
<tr><td>1. Proposal to release the newly elected directors from non-competition restrictions.</td><td>Approved.</td></tr>
</table>

Date	Term of the board	Resolutions
January 23, 2025	1st Meeting in 2025	1. Approval of the amount of the Chairman's year-end bonus for 2024 (proposed by the Remuneration Committee). 2. Approval of the amount of management year-end bonuses for 2024 (proposed by the Remuneration Committee). 3. Approval of adjustments to the content and amounts of management remuneration (proposed by the Remuneration Committee). 4. Review of the Company's 2025 operating plan and budget (proposed by the Audit Committee); no resolution was adopted at this meeting, and the matter was deferred for reporting at the subsequent Board meeting. 5. Approval of the appointment of the Head of Internal Audit (proposed by the Audit Committee). 6. Approval of dismissals of certain management personnel of the Group.
March 6, 2025	2nd Meeting in 2025	1. Approval of employee compensation for management personnel of the Group for 2024 (proposed by the Remuneration Committee). 2. Approval of the definition and scope of non-managerial employees of the Company (proposed by the Remuneration Committee). 3. Approval of the Company's 2025 operating plan and budget (proposed by the Audit Committee). 4. Approval of the 2024 Statement on Internal Control System (proposed by the Audit Committee). 5. Approval of the 2024 Financial Statements, including individual and consolidated financial statements, and the draft independent auditors' report (proposed by the Audit Committee). 6. Approval of the 2024 Business Report (proposed by the Audit Committee). 7. Approval of the 2024 Loss Compensation Proposal (proposed by the Audit Committee). 8. Approval of amendments to the Company's Articles of Incorporation (proposed by the Audit Committee). 9. Approval of the re-election of Directors of the Company. 10. Approval of the release of the newly elected Directors from non-competition restrictions. 11. Approval of the Directors' and Officers' Liability Insurance agreement. 12. Approval of the convening of the 2025 Annual General Meeting of Shareholders. 13. Approval of the nomination of seven director candidates (including three independent directors) for election at the 2025 Annual General Meeting of Shareholders.
May 12, 2025	3rd Meeting in 2025	1. Approval of the Company's consolidated financial statements for the first quarter of 2025 (proposed by the Audit Committee). 2. Approval of the adoption of the "Procedures for Endorsements and Guarantees" for the subsidiary Success Horizon Global Co., Ltd. (Samoa) (proposed by the Audit Committee). 3. Approval of the adoption of the "Procedures for Endorsements and Guarantees" for the subsidiary Ching Way Co., Ltd. (Anguilla) (proposed by the Audit Committee). 4. Approval of providing endorsements and guarantees for subsidiaries (proposed by the Audit Committee). 5. Approval of the provision of loans of funds to the subsidiary Xiangyang Tradetool Automobile Parts Co., Ltd. (proposed by the Audit Committee). 6. Approval of financing arrangements with financial institutions.
May 29, 2025	4th Meeting in 2025	1. Election of Mr. Chiang, Kai-Liang as Chairman of the Company.

Date	Term of the board	Resolutions
August 12, 2025	5th Meeting in 2025	1. Approval of the Company's consolidated financial statements for the second quarter of 2025 (proposed by the Audit Committee). 2. Approval of providing endorsements and guarantees for subsidiaries (proposed by the Audit Committee). 3. Approval of loans of funds to subsidiaries Xiangyang Tradetool Automobile Parts Co., Ltd. and Hunan Baoyuan Automotive Parts Co., Ltd. (proposed by the Audit Committee). 4. Approval of the appointment of the Head of Internal Audit (proposed by the Audit Committee). 5. Approval of amendments to the "Procedures for Preparation and Verification of the Sustainability Report" (proposed by the Audit Committee). 6. Approval of the Company's Sustainability Report for 2024 (proposed by the Audit Committee). 7. Approval of amendments to relevant regulations under the Company's internal control system (proposed by the Audit Committee). 8. Approval of the general principles of the "Policy for Pre-approval of Non-assurance Services Provided by Auditors" for 2025 (proposed by the Audit Committee). 9. Approval of the appointment of new members to the Company's 6th Remuneration Committee.
November 13, 2025	6th Meeting in 2025	1. Approval of the replacement of the Company's signing certified public accountant due to internal rotation (proposed by the Audit Committee). 2. Approval of the evaluation of the independence and competence of the Company's signing CPAs and audit remuneration (proposed by the Audit Committee). 3. Approval of the Company's consolidated financial statements for the third quarter of 2025 (proposed by the Audit Committee). 4. Approval of amendments to the "Internal Audit Rules for Other Management Systems" (proposed by the Audit Committee). 5. Approval of the Company's annual audit plan for 2026 (proposed by the Audit Committee). 6. Approval of providing endorsements and guarantees for subsidiaries (proposed by the Audit Committee). 7. Approval of business execution expenses of the corporate director's appointed representative (proposed by the Remuneration Committee). 8. Approval of appointment changes of plant management of the subsidiary Xiangyang Tradetool Automobile Parts Co., Ltd. 9. Approval of financing arrangements with financial institutions. 10. Approval of amendments to the Company's Corporate Governance Best Practice Principles.
February 10, 2026	1st Meeting in 2026	1. Approval of the amount of the Chairman's year-end bonus for 2025 (proposed by the Remuneration Committee). 2. Approval of the amount of management year-end bonuses for 2025 (proposed by the Remuneration Committee). 3. Approval of the Company's 2026 operating plan and budget (proposed by the Audit Committee). 4. Approval of providing endorsements and guarantees for subsidiaries (proposed by the Audit Committee). 5. Approval of the provision of loans of funds to the subsidiary Xiangyang Tradetool Automobile Parts Co., Ltd. (proposed by the Audit Committee).

Date	Term of the board	Resolutions
		6. Review of financing arrangements with financial institutions; no resolution was adopted due to pending confirmation of newly added credit terms by the lending banks.
March 10, 2026	2nd Meeting in 2026	1. Approval of the allocation of employee compensation and directors' remuneration for 2025 (proposed by the Remuneration Committee). 2. Approval of employee compensation for management personnel of the Group for 2025 (proposed by the Remuneration Committee). 3. Approval of the definition and scope of non-managerial employees of the Company (proposed by the Remuneration Committee). 4. Approval of the recognition of asset impairment losses for 2025 (proposed by the Audit Committee). 5. Approval of the 2025 Statement on Internal Control System (proposed by the Audit Committee). 6. Approval of the 2025 Financial Statements, including individual and consolidated financial statements, and the draft independent auditors' report (proposed by the Audit Committee). 7. Approval of the 2025 Business Report (proposed by the Audit Committee). 8. Approval of the 2025 Loss Compensation Proposal (proposed by the Audit Committee). 9. Approval of the provision of loans of funds to the subsidiary Xiangyang Tradetool Automobile Parts Co., Ltd. (proposed by the Audit Committee). 10. Approval of amendments to the Company's Articles of Incorporation (proposed by the Audit Committee). 11. Approval of the Directors' and Officers' Liability Insurance agreement. 12. Approval of the convening of the 2026 Annual General Meeting of Shareholders.

(X) Adverse opinions from the Directors or Supervisors over the resolutions of the board on record or in written declaration, in the previous period to the date this report was printed, and the summary of the content: None.

IV. Information on Fee for CPAs Service

Unit: NTD(in thousands)

Name of CPA firm	Name of CPA	CPA Audit period	Auditing fee	Non-auditing fee (Note)	Total	Remarks
EY	Lai, Shu-Chen	2025/01/01~2025/12/31	1,248	455	1,703	-
	Huang, Yu-Ting					

(Note)：The non-auditing fee refers to sustainbility report’s consulting fee, tax compliance audit fees, and English translation fees.

(I) If the accounting firm was replaced and if the audit fees paid for the fiscal year in which such replacement took place are lower than those for the previous year: None.

(II) If the auditing fee reduced by more than 10% from the same period of the previous year: None.

V. Information on Replacement of CPAs : None.

VI. In Case where the Chairman, General Manager or Manager Responsible for Financial or Accounting Matters of the Company, who has Worked for the Firm of the CPA or its Affiliated Companies in the Most Recent Year: None.

VII. Transfer of Shareholding and Pledge of Shareholding by Directors, Supervisors, Managers and Shareholders Holding More Than 10 Percent of the Shares During the Latest Year and up to the Date of Printing of the Annual Report

(I) Changes in shareholding of Directors, Supervisors, managers, and major shareholders

Unit: Shares

Title	Name	2025		As of March 31, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Fu Ya Enterprise Co., Ltd.	(3,582,000)	0	0	0
	Representative: Chiang, Kai-Liang	0	0	0	0
Director	Chang, Ming-Hung	400,000	0	0	0

Title	Name	2025		As of March 31, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	Lin, Sheng-Chieh	500,000	0	0	0
Director	Ai Po Technology Co., Ltd.	(7,418,000)	0	0	0
	Representative: Chiang, Ming-Huang (Note 1)	0	0	0	0
Director	Ai Po Technology Co., Ltd.	(7,418,000)	0	0	0
	Chang, Hai-Yan (Note 1)	0	0	0	0
Independent director	Chen, Chun-Mao	0	0	0	0
Independent director	Liu, Te-Shou	0	0	0	0
Independent director	Lin, Yun-Shan	0	0	0	0
General Manager	Chang, Ming-Hung	400,000	0	0	0
Deputy General Manager	Wang, Cheng-Wen	0	0	0	0
Deputy General Manager	Tseng, Wu-Chin(Note 2)	0	0	0	0
Deputy General Manager	Dong, Kan	0	0	0	0
Associate General Manager	Wang, Pei-Fang	0	0	0	0
General Manager of subsidiary	Li, Chao-Pei	(1,340,000)	0	0	0
Major shareholders	Fu Ya Enterprise Co., Ltd.	(3,582,000)	0	0	0
Major shareholders	Ai Po Technology Co., Ltd.	(7,418,000)	0	0	0

Note 1: The corporate director, Ai Po Technology Co., Ltd., replaced its appointed representative with Ms. Chang, Hai-Yan on September 30, 2025.

Note 2: Tseng, Wu-Chin retired on January 31, 2025

(II) Directors, Supervisors, managers, and major shareholders' shares trading with Related Parties: None.

(III) Directors, Supervisors, managers, and major shareholders' shares pledge with Related Parties: None

VIII. The Top 10 Shareholders by Proportion of Shareholding are Related Parties, Spouse, Kindred within the 2nd Tier to One Another

March 31, 2026 Unit: Shares

Name	Current Shareholding		Spouse & Minors Shareholdings		Shares Held in the Name of a Third Party		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relation	
Fu Ya Enterprise Co., Ltd. Representative: Chiang, Ming-Huang	13,836,076	17.39%	—	—	—	—	Ai Po Technology Co., Ltd.	Same chairman.	—
Ai Po Technology Co., Ltd. Representative: Chiang, Ming-Huang	10,000,076	12.57%	—	—	—	—	Fu Ya Enterprise Co., Ltd.	Same Chairman.	—
Hsu, Jih-Hsin	3,487,000	4.38%	162,000	0.20%	—	—	—	—	—
Chou, Chung-Hsien	3,130,000	3.93%	—	—	—	—	—	—	
Wang, Hsin-Ling	2,124,000	2.67%	—	—	—	—	—	—	
Chen, Wen-Tang	1,716,000	2.16%	—	—	—	—	—	—	—
Shengyi Investment Co., Ltd. Representative: Wang, Wei-Si	1,511,000	1.90%	—	—	—	—	—	—	—
Hong, Su-Zhen	1,106,000	1.39%	—	—	—	—	—	—	—
Yeh, Chia-Hsin	940,000	1.18%	—	—	—	—	—	—	
Lin, Sheng-Chieh	939,000	1.18%	—	—	—	—	—	—	—

IX. The Quantity of Shares Issued by Particular Investee Company Held Jointly by the Directors, Managers, and Direct or Indirect Controlled Entity of the Company, and the Proportion of Shares Under Joint Holding

March 31, 2026 Unit: thousand shares; %

Affiliated Enterprise (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Tan De Tech	12,918	36.91%	4,774	13.64%	17,692	50.55%
Jeng Shiang Samoa	50	100.00%	—	—	50	100.00%
Ching Way Anguilla	2,069	100.00%	—	—	2,069	100.00%
Success Horizon Global	10,682	100.00%	—	—	10,682	100.00%
Tradetool Green Energy	1,798	58.00%	233	7.50%	2,031	65.50%
Yuan Jie Photovoltaics	1,640	82.00%	—	—	1,640	82.00%
Suzhou Tradetool	—	—	—	100.00%	—	100.00%
Xiangyang Tradetool Parts	—	—	—	100.00%	—	100.00%
Hunan Baoyuan	—	—	—	51.00%	—	51.00%
Henan Baoheyuan	—	—	—	51.00%	—	51.00%
Kaifeng Shengfayuan	—	—	—	100.00%	—	51.00%
Tradetool Green Energy (Thailand)	900	100.00%	—	—	900	100.00%

Note: The Company adopted investment under equity method.

Chapter III. Status of Fundraising

I. Capital Stock and Shares

(I) Sources of capital

1. History of share capital formation

March 31, 2026 Unit: 1,000 shares/ NTD (in thousands)

Month, year	Offering price (NTD)	Authorized capital		Paid-in capital		Remark		
		Quantity of shares	Amount	Quantity of shares	Amount	Sources of capital	Non-cash investment in kind	Others
September, 1983	10	100	1,000	100	1,000	Share capital established	None	—
August, 1986	10	280	2,800	280	2,800	Cash capital increase of NTD1,800 thousands	None	—
June, 1988	10	500	5,000	500	5,000	Cash capital increase of NTD2,200 thousands	None	—
August, 1988	10	1,500	15,000	1,500	15,000	Cash capital increase of NTD10,000 thousands	None	—
May, 2005	10	3,300	33,000	3,300	33,000	Cash capital increase of NTD18,000 thousands	None	Note 1
August, 2005	10	20,000	200,000	5,100	51,000	Cash capital increase of NTD18,000 thousands .	None	Note 2
August, 2005	13.48	20,000	200,000	8,954	89,539	Cash capital increase of NTD38,539 thousands .	None	Note 3
March, 2006	10	20,000	200,000	9,277	92,767	Cash capital increase of NTD2,648 thousands . Capitalization of capital reserve into new shares amounting to NTD580 thousands .	None	Note 4
September, 2006	11	20,000	200,000	10,286	102,858	Cash capital increase of NTD10,091 thousands .	None	Note 5
December, 2006	11.25	40,000	400,000	26,586	265,858	Cash capital increase of NTD163,000 thousands	None	Note 6
December, 2007	20	40,000	400,000	30,086	300,858	Cash capital increase of NTD35,000 thousands	None	Note 7
August, 2008	22	40,000	400,000	32,086	320,858	Cash capital increase of NTD20,000 thousands	None	Note 8
July, 2009	12.50	40,000	400,000	33,686	336,858	Cash capital increase of NTD16,000 thousands	None	Note 9
May, 2010	31.70	50,000	500,000	35,886	358,858	Private placement of cash capital increase of NTD22,000 thousands	None	Note 10
August, 2010	10.5	50,000	500,000	36,286	362,858	Conversion of employee share options into ordinary shares amounting to NTD4,000 thousands	None	Note 11
October, 2010	10.48	50,000	500,000	37,541	375,408	Conversion of employee share options into ordinary shares amounting to NTD12,550 thousands	None	Note 12
December, 2010	25.5	50,000	500,000	41,058	410,578	Cash capital increase of NTD35,170 thousands	None	Note 13

Month, year	Offering price (NTD)	Authorized capital		Paid-in capital		Remark		
		Quantity of shares	Quantity of shares	Sources of capital	Sources of capital	Sources of capital	Non-cash investment in kind	Others
December, 2011	10	50,000	500,000	40,249	402,488	Reducing capital of NTD8,090 thousands through cancellation of treasury shares	None	Note 14
October, 2013	10	50,000	500,000	40,449	404,488	Capitalization of restricted employee rights into new shares amounting to NTD2,000 thousands	None	Note 15
July, 2014	10	50,000	500,000	40,409	404,488	Reducing capital of NTD400 thousands on cancellation of new shares with restricted staff rights recovered	None	Note 16
October, 2014	13.39	80,000	800,000	60,409	604,088	Private placement of cash capital increase of NTD200,000 thousands	None	Note 17
May, 2015	24.32	80,000	800,000	80,000	800,000	Private placement of cash capital increase of NTD195,912 thousands	None	Note 18
May, 2016	10	200,000	2,000,000	80,000	800,000	Raising authorized capital of NTD2,000,000 thousands	None	Note 19
April, 2017	10	200,000	2,000,000	79,995	799,950	Reducing capital of NTD50 thousands on cancellation of new shares with restricted staff rights recovered	None	Note 20
July, 2017	10	200,000	2,000,000	79,990	799,900	Reducing capital of NTD50 thousands on cancellation of new shares with restricted staff rights recovered	None	Note 21
January, 2022	10	200,000	2,000,000	79,574	795,740	Reducing capital of NTD4,160 thousands through cancellation of treasury shares	None	Note 22

Note 1: Approved under Ministry of Economic Affairs, 20th June 2005, Letter No. 09432297020
Note 2: Approved under Ministry of Economic Affairs, 18th August 2005, Letter No. 09432687300
Note 3: Approved under Ministry of Economic Affairs, 2nd September 2005, Letter No. 09432755650
Note 4: Approved under Ministry of Economic Affairs, 1st May 2006, Letter No. 09532114370
Note 5: Approved under Ministry of Economic Affairs, 18th October 2006, Letter No. 09533004320
Note 6: Approved under Ministry of Economic Affairs, 5th January 2007, Letter No. 09631500670
Note 7: Approved under Ministry of Economic Affairs, 18th February 2008, Letter No. 09731736130
Note 8: Approved under Central Taiwan Science Park, 5th September 2008, Letter No. 0970017347
Note 9: Approved under Central Taiwan Science Park, 22nd July 2009, Letter No. 0980014652
Note 10: Approved under Ministry of Economic Affairs, 11th May 2010, Letter No. 09932026690
Note 11: Approved under Ministry of Economic Affairs, 23rd August 2010, Letter No. 09932487000
Note 12: Approved under Ministry of Economic Affairs, 22nd October 2010, Letter No. 09932744820
Note 13: Approved under Ministry of Economic Affairs, 23rd December 2010, Letter No. 09933010400
Note 14: Approved under Ministry of Economic Affairs, 19th December 2011, Letter No. 10032873780
Note 15: Approved under Ministry of Economic Affairs, 8th October 2013, Government Grant No. 10208452720
Note 16: Approved under Ministry of Economic Affairs, 17th July 2014, Government Grant No. 10307611500
Note 17: Approved under Ministry of Economic Affairs, 8th October 2014, Letter No. 10301205080
Note 18: Approved under Ministry of Economic Affairs, 13th May 2015, Letter No. 10401087220
Note 19: Approved under Ministry of Economic Affairs, 16th May 2016, Letter No. 10501096230
Note 20: Approved under Ministry of Economic Affairs, 13th April 2017, Letter No. 10601046100
Note 21: Approved under Ministry of Economic Affairs, 18th July 2017, Letter No. 10601097340
Note 22: Approved under Ministry of Economic Affairs, 17th January 2022, Letter No. 11101006620

2.Type of Stock

March 31, 2026 Unit: share

Share Type	Authorized share capital			Remark
	Issued Shares (Note)	Unissued shares	Total Shares	
Registered ordinary shares	79,574,000	120,426,000	200,000,000	Of which 3,000,000 shares were reserved for the conversion of subscription warrants, preferred shares featured subscription warrants, or corporate bonds featured subscription rights.

Note: The shares are listed at TPEx.

3. Information on the Shelf Registration System: Not applicable.

(II) List of Substantial Shareholders:

March 31, 2026 Unit: share

Shareholdings / Names of Substantial Shareholders	Shares	Percentage
Fu Ya Enterprise Co., Ltd.	13,836,076	17.39%
Ai Po Technology Co., Ltd.	10,000,076	12.57%
Hsu, Jih-Hsin	3,487,000	4.38%
Chou, Chung-Hsien	3,130,000	3.93%
Wang, Hsin-Ling	2,124,000	2.67%
Chen, Wen-Tang	1,716,000	2.16%
Shengyi Investment Co., Ltd.	1,511,000	1.90%
Hong, Su-Zhen	1,106,000	1.39%
Yeh, Chia-Hsin	940,000	1.18%
Lin, Sheng-Chieh	939,000	1.18%

(III) Status of the Company's Dividend Policy and Implementation

1. Dividend policy:

In accordance with Article 26-1 of the Company's Articles of Incorporation, if there is any surplus in the annual balance of the Company, it shall first be set aside for tax purposes to cover accumulated tax losses, and then 10% shall be appropriated as legal reserve, except when the legal reserve has reached the amount of the Company's paid-in capital. In addition, additional special reserves shall be appropriated or reserved as required by the Company’s operational needs and in accordance with applicable laws and regulation.The Board of directors shall prepare an appropriation of earnings for distribution to the shareholders if there is any unappropriated earnings at the beginning of the period, and shall distribute the earnings in accordance with the Company's business situation and legal requirements.

The amount of dividends to be distributed is determined based on the Company's current year's earnings and accumulated retained earnings from previous years, taking into account the Company's profitability, capital structure and future operating requirements; Dividends will be paid in the form of stock dividends or cash dividends, depending on factors such as capital requirements and the dilution of earnings per share, and will be distributed at a rate of 10% to 80% of distributable earnings for the year, with cash dividends paid at a rate of no less than 20% of the amount of dividends paid for the year.

The aforementioned dividend distribution ratio is only a guideline in principle. The Company may determine the appropriate dividend policy based on the actual operating conditions of the year and take into account the capital budget planning for the following year.

2. Circumstances of the proposed distribution of dividends at the Shareholders' Meeting:

The Company incurred a net loss after tax of NT$81,193,821 for 2025. In accordance with Article 26-1 of the Company's Articles of Incorporation, after taking into account the beginning balance of undistributed earnings of NT$0 and deducting the loss of NT$14,601,679 arising from the disposal of financial assets measured at fair value through other comprehensive income, the amount of losses pending offset totaled NT$95,795,500. It is proposed that capital surplus in the amount of NT$44,886,236 be applied to offset accumulated losses. Upon completion of the offset, accumulated losses at the end of the period are expected to be NT$50,909,264. No dividend distribution is proposed for the year.

3. Material changes expected to be made to the dividend policy: Not applicable.

(IV) The influence of the stock dividend proposed to this session of the Shareholder Meeting for release on the operation performance and earnings per share of the Company: Not applicable.

(V) Remunerations to employees, Directors and Supervisors:

1. The percentage and scope of remunerations to the employees, Directors and Supervisors of the Company as stated in the Articles of Incorporation:

If the Company has a profit for the year, it shall contribute not less than 2% and not more than 10% to the remuneration to the employees and not more than 3% to the remuneration to the Directors and Supervisors. However, the Company shall appropriate for covering carryforwards loss, where applicable. The aforementioned employees are paid in shares or cash, including employees of subsidiaries who meet certain criteria.

2.The basis for estimating the amount of remuneration to employees, Directors and Supervisors for the period, the basis for calculating the number of shares for remuneration to employees distributed in shares and the accounting treatment if the actual amount distributed differs from the estimated amount.

The company had net loss after tax in 2025, therefore, the employees' and directors' reward has not been estimated. If there is a difference between the actual distribution amount and the estimated amount, it will be dealt according to the change in accounting estimate, and it will be adjusted and recorded in the current year of the resolution of the shareholders' meeting.

3.Circumstances of distribution of remuneration approved by the Board:

(1) Amount of remuneration to employees and remuneration to Directors and Supervisors distributed in cash or shares:

The company had net loss after tax in 2025, therefore, the board of directors decided to make up for the loss first, and not to pay employees' and directors' reward.

(2) Amount of remuneration to employees distributed in shares and its proportion to the aggregate of the parent only or individual financial statements after tax and total remuneration to employees for the period: Not applicable.

4. The actual distribution of remuneration to employees, Directors and Supervisors in the previous year (including the number of shares distributed, the amount and the price of the shares), the difference between the distribution and the recognition of remuneration to employees, Directors and Supervisors, and the amount of the difference, the reasons for the difference and the treatment of the difference: None.,

(VI) Buy-back of Treasury Stock: None.

II. Corporate Bonds

Not applicable.

III. Preferred Shares

Not applicable.

IV. Overseas Depository Receipts

Not applicable.

V. Employee Stock Option

(I) Status of the Company's outstanding employee share options and the impact on shareholders' equity: None.

(II) Names of managers and top ten employees who have acquired employee share options cumulatively as at the date of printing of the annual report and the status of acquisition: None.

VI. Restrictions on the Issue of New Shares of Employee Rights

None.

VII. Merger or Acquisition of Shares in Other Companies for the Issue of New Shares

None.

VIII. Information on the Implementation of the Capital Utilization Plan

None.

Chapter IV. Operational Highlights

I. Business Content

(I) Business scope

1. Main areas of business operations

The Company's business content is recorded as follows according to the information registered by the Ministry of Economic Affairs:

C805050 Industrial Plastic Products Manufacturing
CC01040 Lighting Equipment Manufacturing
CC01080 Electronics Components Manufacturing
CC01110 Computer and Peripheral Equipment Manufacturing
CC01120 Data Storage Media Manufacturing and Duplicating
CE01030 Optical Instruments Manufacturing
CQ01010 Mold and Die Manufacturing
CD01030 Motor Vehicles and Parts Manufacturing
CD01040 Motorcycles and Parts Manufacturing
F113020 Wholesale of Electrical Appliances
F119010 Wholesale of Electronic Materials
F401010 International Trade
I501010 Product Designing
F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
IG02010 Research and Development Service
H201010 Investment
ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue distribution

Unit: in NT$ thousand

Year / Item	2025	
	Amount	Percentage (%)
Metal stamping parts	513,712	42.95
Injection Parts	387,443	32.39
Tooling	72,615	6.07
Construction	185,760	15.53
Headlight	28,020	2.34
Others	8,644	0.72
Total	1,196,194	100.00

3.The Company's current products and items

The main business items of the Company are the manufacturing and sales of automotive optics parts such as the light guide plates, frames, auto motive LENs, automotive lamp assembly, and welding parts, the development and sales of relevant tooling and the installation of self-use renewable energy generation equipment and related operation and maintenance services.

4. New products development

In the area of optical injection components, the Company's core technologies comprise optical design and mechanical design integrated with ultra-precision mold fabrication and precision injection molding. The Company has successfully developed lighting products such as externally mounted and integrated bicycle headlights. By strengthening collaborative development with domestic and international customers and establishing foundational technical capabilities through cooperation with testing and certification institutions, the Company continues to reinforce its research and development capacity, enhance its optoelectronic technologies, and improve its product development and engineering support services. As a result, the Company has positioned itself as a bicycle lighting supplier capable of offering differentiated products and competitive advantages. Going forward, the Company will continue to develop and promote innovative lighting technologies for application across major global bicycle brands, as well as the motorcycle and automotive markets. With respect to metal stamping components, the Company continues to optimize material usage for automotive metal stamping parts and to strengthen welding processes for high-strength steel, in response to evolving conditions in the Mainland China automotive market. In addition, the Company will continue to allocate resources to the Solar Energy Business Division. In addition to maintaining rooftop solar project engineering operations, the Company plans to expand its participation in solar projects of various types and larger scales. These initiatives are intended to strengthen revenue growth from non-automotive businesses and to advance the Group's diversification strategy.

(II) Industry overview

1. Industry overview and development

(1)Automotive industry main development:

Automotive industry:

In recent years, the global automotive industry has continued to transition toward electrification, intelligent technologies, and sustainable development. Driven by carbon reduction policies and energy transition initiatives promoted by governments worldwide, the industry structure has been gradually shifting from traditional internal combustion engine vehicles to new energy vehicles, prompting supply chain restructuring and technological upgrades across the industry. At the same time, geopolitical risks, inflationary pressures, and supply chain realignment have also exerted a certain degree of impact on industry development. Competition within the global automotive industry remains intense. In addition to traditional automakers, technology companies and start-ups have actively entered the electric vehicle and intelligent vehicle markets, reshaping the existing competitive landscape. Cross-industry collaboration and strategic alliances have become increasingly common, giving rise to a more diversified competitive environment.

According to forecasts by various research institutions, including S&P Global Mobility, J.D. Power, and GlobalData, global new vehicle sales (including passenger vehicles and light commercial vehicles) are projected to reach approximately 93 million units in 2026, with an annual growth rate of around 1%. This indicates that, following post-pandemic recovery, the global automotive market is gradually entering a mature phase characterized by low growth.

From a policy perspective, the International Energy Agency (IEA) stated in its 2021 "Net Zero by 2050: A Roadmap for the Global Energy Sector" that countries should phase out the sale of internal combustion engine vehicles by 2035. In terms of market penetration, electric vehicles accounted for more than 20% of global new vehicle sales by 2025, and this proportion is expected to continue increasing to over 60% by 2030. By 2050, vehicles in operation worldwide are expected to consist predominantly of electric vehicles or fuel cell vehicles. In addition, the U.S. Department of Energy projects that the penetration rate of new energy vehicles, including electric vehicles and plug-in hybrid vehicles, within the light-duty vehicle segment will increase significantly by 2030. However, growth momentum will depend not only on policy support, but also on factors such as declining battery costs, the expansion of charging infrastructure, and consumer acceptance.

In the China automotive market, rapid growth in new energy vehicles continued in 2024, supported by the continued improvement of relevant policies, regulations, and supporting infrastructure. As a result, the market share of domestic Chinese brands increased significantly compared with joint-venture brands, while sales of traditionally internal-combustion-engine-focused German and Japanese brands had yet to recover. According to statistics released by the China Association of Automobile Manufacturers (CAAM), vehicle production and sales in 2025 reached 34.53 million units and 34.40 million units, respectively, representing year-on-year growth of 10.4% and 9.4%. Total production and sales have exceeded 30 million units for three consecutive years, maintaining China's position as the world's largest automotive market. During the same year, new energy vehicles continued to expand, with production and sales reaching 16.62 million units and 16.49 million units, respectively, reflecting year-on-year growth of 29.0% and 28.2%. New energy vehicle sales accounted for 47.9% of total vehicle sales, marking the entry of the market into a new phase of development and growth. Looking ahead to 2026, under the support of government initiatives such as vehicle trade-in programs and purchase tax incentives for new energy vehicles, CAAM projects that total vehicle sales in China will reach approximately 34.75 million units, representing a modest increase of 1% compared with 2025. Of this total, new energy vehicle sales are expected to reach 19.0 million units, reflecting year-on-year growth of 15.2%, which is expected to provide favorable business expansion opportunities for automotive-related suppliers.

Looking forward, the global automotive industry is expected to continue its transition toward electrification, intelligent technologies, and low-carbon development. Driven by policy support and technological innovation, the new energy vehicle market is expected to maintain growth momentum. Nevertheless, uncertainties such as fluctuations in raw material prices, international geopolitical developments, and intensified market competition remain key factors requiring continued attention across the industry.

Bicycle Industry:

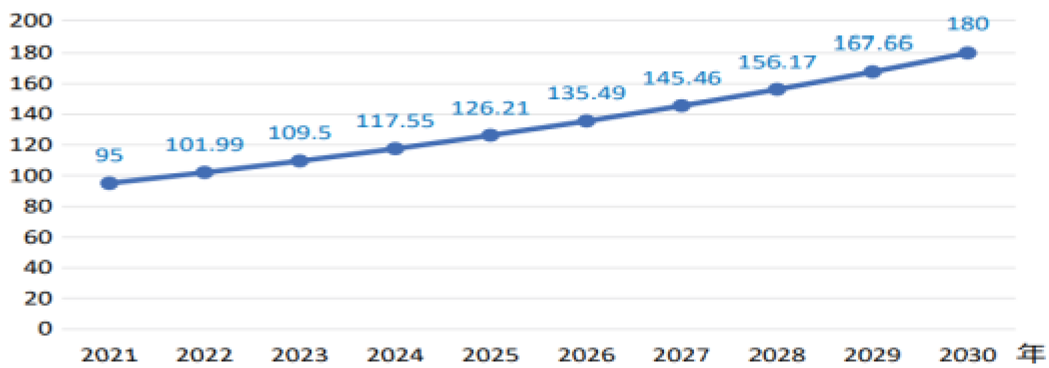
As governments worldwide place increasing emphasis on energy transition and environmental protection, initiatives such as the European Green Deal promoted by the European Union, along with net-zero emission policy targets announced by the United States and major Asian countries, have driven the development of the global green economy. Under this trend, bicycles, as a low-carbon and environmentally friendly mode of transportation, continue to receive policy support and infrastructure investment from governments around the world, and are gradually becoming an important component of urban short-distance commuting and public transportation systems.

In recent years, with the growing maturity of electric-assist bicycle (e-bike) technologies, market acceptance has continued to increase, driven by advantages such as energy efficiency, reduced physical effort, and improved commuting efficiency. Application scenarios have gradually expanded from leisure and sports to daily commuting and commercial logistics, making e-bikes one of the key growth drivers of the bicycle industry.

According to analyses by research institutions such as Grand View Research and Allied Market Research, the global bicycle market size reached approximately USD 75 billion around 2025 and has maintained a compound annual growth rate of approximately 4%. The electric bicycle market has also continued to expand, with market value reaching approximately USD 23-24 billion in 2025, and a compound annual growth rate of over 5%. Looking ahead to 2026, the overall market is expected to maintain steady growth; however, the growth rate has moderated compared with the peak levels observed during the pandemic period, indicating that the industry has transitioned from a rapid growth phase to a more stable development stage.

Looking forward, the bicycle industry is expected to continue benefiting from global energy conservation and carbon reduction policies, as well as urban transportation transformation trends. Electric bicycles and intelligent applications are expected to remain the primary growth drivers. Nevertheless, factors such as changes in global economic conditions, fluctuations in consumer demand, and intensified industry competition remain important uncertainties that warrant continued attention.

Global Bicycle Market Size from 2021 to 2030 (Unit: Billion USD)



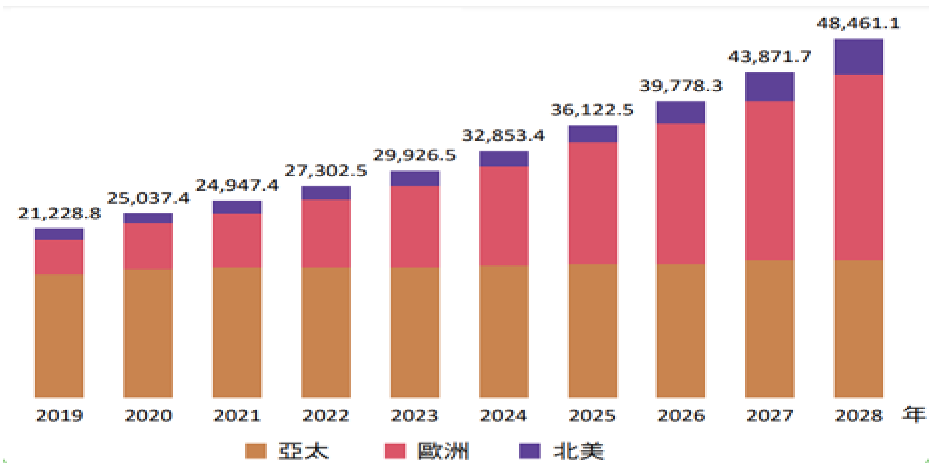
Source: Precedence Research

The global bicycle industry is characterized by four major trends: lightweight design, electrification, intelligent and connected technologies, and sharing-based and service-oriented business models. Among these, electrification and connectivity currently represent the primary directions of industry development. Electric bicycles combine electric motor-assisted systems that convert electrical energy into mechanical power, thereby enhancing riding efficiency and convenience. In recent years, driven by growing demand for energy conservation, carbon reduction, and ease of use, market acceptance of electric bicycles has continued to increase.

With rising environmental awareness, increasing urban traffic congestion, and government initiatives promoting low-carbon transportation, demand for electric bicycles has continued to grow. Applications have gradually expanded from leisure and recreational use to daily commuting and commercial purposes, such as food delivery and logistics distribution, making electric bicycles one of the key drivers of industry growth.

According to analyses by research institutions such as IMARC Group, the global electric bicycle market is projected to exceed approximately USD 34.6 billion by 2028, with a compound annual growth rate of approximately 6% to 7%. However, from the perspective of 2026, amid slowing global economic growth, adjustments in consumer demand, and inventory destocking, the industry has transitioned from the rapid growth phase experienced during the pandemic period to a stage of steady growth accompanied by short-term corrections.

全球電動自行車規模(單位：百萬美元)



資料來源：Statista

Motorcycle Industry:

With the rise of electrification, key elements of the global motorcycle industry are actively transitioning toward electrification. Mainland China, under the new national standard, is establishing its own technologies, deepening service systems, improving product quality, and expanding overseas investments. Indian fuel motorcycle manufacturers are actively entering the electric motorcycle market, with startups expanding fundraising, urban planning, experiential marketing, and investing in high-performance lithium battery research. Japanese electric motorcycle manufacturers are deeply cultivating emerging markets and hoping to enter the service application side through internet technology, while fuel motorcycle manufacturers continue to deepen the development of electric motorcycles, strengthen patent layouts, and propose solutions for the transition to electrification.

In Taiwan, the National Development Council has released the “Taiwan's 2050 Net Zero Emission Pathway and Strategy” blueprint, setting a policy goal of comprehensive electrification of new motorcycle sales starting from 2040 and allocating NT$168.3 billion for scrappage and new purchase subsidies. The global motorcycle industry landscape is shifting, and with policies, technological advancements, and business model innovation advancing together, the electric motorcycle market has maintained stable growth in recent years. Through government support, the increasing popularity of electric motorcycles in Taiwan not only helps reduce carbon emissions for environmental sustainability but also allows consumers to enjoy the health benefits of green transportation.

(2) Automotive display panel industry:

The products developed and manufactured by the Company for automotive display panels consist of light guide plates and plastic frames used in backlight modules for automotive liquid crystal displays. These components are key elements affecting display light efficiency and luminance uniformity. As liquid crystal displays are non-self-emissive display devices, a stable and uniform surface light source must be provided through a backlight module, which is composed of components including light-emitting diodes (LED), light guide plates, diffuser films, prism films, reflective films, and plastic frames. The primary function of the light guide plate is to convert point light emitted by LEDs into a uniform surface light source and to control light distribution through micro-structure design in order to achieve optimal display performance. Plastic frames are responsible for fixing and supporting optical components to ensure structural stability of the module. Light guide plates are high-precision optical components composed of a large number of fine optical structures, with density distribution adjusted according to the distance from the light source. The manufacturing process is primarily completed through precision mold fabrication and injection molding technologies.

As the global automotive industry continues to develop toward electrification, intelligence, and digitalization, automotive displays have gradually evolved from traditional information display functions into core interfaces integrating driving information, infotainment systems, and human–machine interaction. In order to enhance product differentiation and user experience, automakers are actively adopting high-resolution, large-size, and multi-screen configurations, transforming in-vehicle cabins from conventional driving spaces into digitalized and intelligent usage environments. From a market development perspective, with declining panel costs and increasing technological maturity, high-end displays that were previously applied only in premium vehicle models have gradually penetrated mid-range and certain entry-level models, driving continued growth in overall automotive display demand. Across the supply chain, collaboration among panel manufacturers, system integrators, and automakers has become increasingly close, promoting the development of automotive displays toward integrated touch functionality, curved designs, and multi-functional display applications.

In pursuit of technologically advanced aesthetics and diverse intelligent service scenarios, the development of automotive display panels represents one of the most significant transformations in recent years. Consumer demand for vehicles is gradually shifting from simple transportation tools toward so-called “third living spaces.” Supported by the advancement of smart cockpit concepts, electric vehicles, and autonomous driving technologies, the number of display panels installed per vehicle continues to increase, thereby driving growth in global demand for automotive display panels.

According to observations by research institutions such as DIGITIMES Research, the automotive display market exhibits trends toward larger display sizes and multi-screen configurations, with displays measuring 9 inches and above becoming the market mainstream. As smart cockpit penetration increases and specifications of mid-range and entry-level vehicle models continue to upgrade, both shipment volumes of automotive displays and the number of displays installed per vehicle are expected to continue rising, supporting steady market growth. Looking ahead over the next five years, with further penetration of integrated smart cockpits and upgrades in display size and technology across vehicle segments to improve information visibility, global shipments of automotive displays measuring 9 inches and above are projected to reach approximately 152 million units by 2029, accounting for 54.3% of total automotive display shipments, with a compound annual growth rate (CAGR) of approximately 10.7% from 2024 to 2029. In addition, the development of smart cockpits has driven diversification of in-vehicle application scenarios, including digital instrument clusters, central control displays, head-up displays (HUDs), and rear-seat entertainment systems, gradually forming integrated multi-display application architectures. In-vehicle display systems are also evolving toward higher resolution, curved designs, narrow bezels, and low-power consumption, further enhancing user experience and product value.

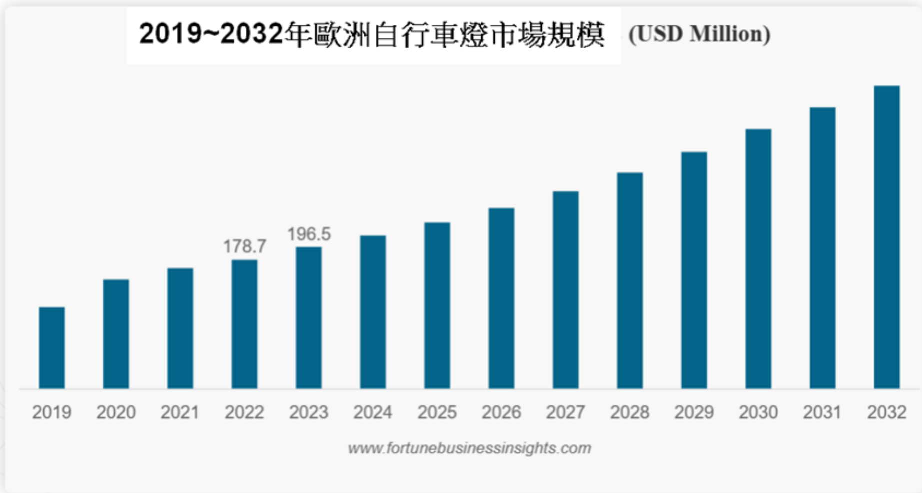
全球車用顯示器出貨量暨預測

資料來源：DIGITIMES Research

(3) Automotive lighting industry:

In the bicycle lighting industry, as global attention to traffic safety and environmental sustainability continues to increase, the importance of bicycle lighting equipment has risen accordingly. Although the degree of regulatory enforcement for bicycle lighting varies by country, major markets such as Europe and North America have established regulations requiring the use of front and rear lights for night riding. Together with heightened consumer awareness of safety, this has driven steady growth in demand for bicycle lighting products. According to data from market research institutions, the global bicycle lighting market was valued at approximately USD 300-400 million in 2023 and is expected to maintain a compound annual growth rate of approximately 8% to 10% during the period from 2024 to 2030. From the perspective of 2026, market demand is expected to benefit primarily from increased urban commuting and recreational cycling activities, as well as rising safety requirements for riding in low-light environments, resulting in a steady growth trend across the industry.

On the demand side, as urbanization advances and traffic congestion intensifies, the use of bicycles and electric-assist bicycles (e-bikes) as short-distance commuting tools continues to increase, further driving demand for lighting products. In addition, fluctuations in global fuel prices and the promotion of energy-saving and carbon-reduction policies have increased market penetration of electric bicycles, indirectly expanding the application base for bicycle lighting products. From a policy perspective, governments around the world continue to provide purchase subsidies and tax incentives for electric bicycles in order to reduce carbon emissions and promote green transportation, while also advancing bicycle-friendly infrastructure development. These measures support overall growth of the bicycle market and, in turn, drive demand for lighting products. Compared with earlier development models that relied primarily on subsidies in individual countries, recent policy support has become more institutionalized and long-term in nature, providing a more stable foundation for industry development.



From a technological development perspective, light-emitting diodes, due to their compact size, long service life, energy efficiency, and environmental friendliness, have become the mainstream light source for bicycle lighting products. As product design continues to evolve toward lightweight construction, high brightness, extended battery life, and intelligent control, lighting products are gradually incorporating sensing functions, automatic dimming, and connectivity features, thereby enhancing user convenience and safety. However, as bicycles emphasize portability, lighting equipment continues to face relatively high technical barriers in terms of size, weight, and cost control.

In terms of industry structure, changes in consumer behavior and improvements in the performance of electric-assist bicycles have expanded the user base from traditional sports-oriented consumers to commuters and senior users. Demand in European and North American markets has continued to grow, driving increased demand for higher-specification lighting products. By contrast, growth in the traditional bicycle market has slowed, and the industry has gradually shifted toward higher value-added products.

In addition, driven by the electrification trend across various modes of transportation, lighting technologies are gradually being extended to applications in automobiles and motorcycles. Related optical design and manufacturing technologies demonstrate cross-industry application potential, which may support the Company's expansion of its product portfolio and market scope.

(4) Solar energy industry:

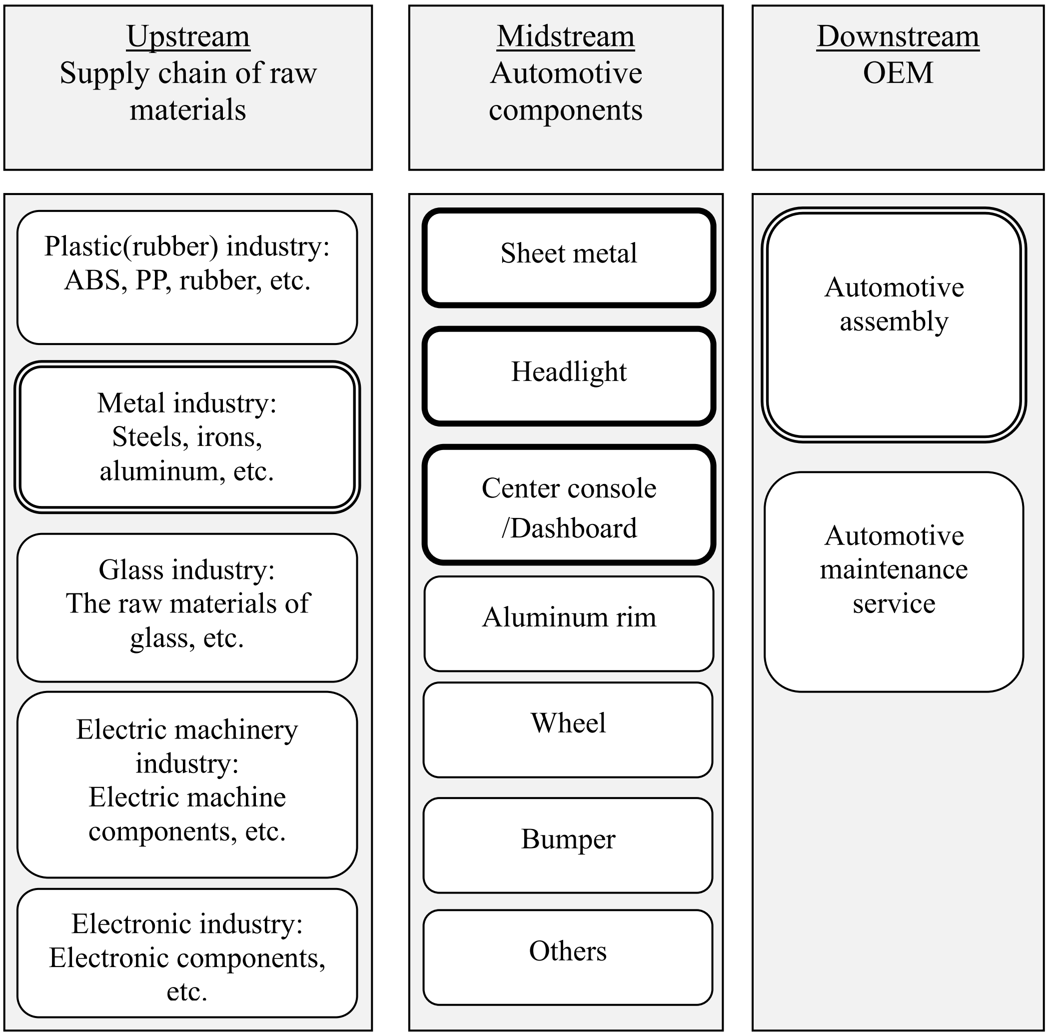
As the frequency of extreme climate events increases globally, growing attention has also been directed toward energy conservation and carbon reduction. In December 2019, the European Commission released the European Green Deal, declaring a target to achieve carbon neutrality by 2050, namely by reducing carbon emissions through measures such as the use of renewable energy, so that carbon emissions and reductions offset each other and result in net-zero emissions. In East Asia, South Korea, China, and Japan have also successively announced timelines for achieving carbon neutrality. South Korea and Japan have planned to reach carbon neutrality by 2050, while China has committed to achieving carbon neutrality by 2060. Against the backdrop of climate change and limited resources, rising environmental awareness across countries has driven the growth of green economies focused on environmental protection and energy efficiency. To strengthen energy security, foster innovation in green economies, and promote environmental sustainability, more than 50 countries worldwide have set targets to achieve 100% renewable electricity before 2050. Given its relatively mature commercial technology, solar photovoltaic power has become one of the key technological options for achieving global net-zero targets. As a result, end-market demand has continued to expand. According to statistics published by the International Renewable Energy Agency (IRENA) in its 2026 report, cumulative global installed solar photovoltaic capacity reached approximately 2,700 GW by the end of 2025, with annual newly installed capacity of approximately 510 GW, marking the second consecutive year in which annual additions exceeded 500 GW. This indicates that under the global net-zero transition, growth momentum in solar photovoltaic power has remained at a high level.

In the domestic market, supported by a policy target of 20 GW, solar photovoltaic installations have grown rapidly since 2016. According to statistics from the Energy Administration, cumulative installed capacity reached 1,245 MW at the end of 2016 and increased to 15,474 MW by the end of 2025, representing an increase of 14,229 MW over nine years, or 11.4-fold growth. The original policy target of achieving 20 GW by the end of 2025 has been rolled forward to November 2026 due to constraints related to land use conversion and grid connection timelines. By 2030, solar photovoltaic installed capacity is required to reach 31 GW, indicating substantial growth potential. As land resources in Taiwan are limited, the development of large-scale ground-mounted solar projects in recent years has faced challenges related to social communication and ecological conservation. In response, the government has amended the Renewable Energy Development Act, stipulating that starting from 2026, newly constructed, expanded, or renovated buildings exceeding a specified scale (1,000 square meters or more) are required to install solar photovoltaic systems. This effectively establishes photovoltaic equipment as a mandatory standard feature for buildings. In addition, the government continues to promote the “Household Rooftop Solar Acceleration Program,” with annual funding of NT$1 billion through 2028, which is expected to provide sustained growth momentum for rooftop solar photovoltaic installations in the domestic market.

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

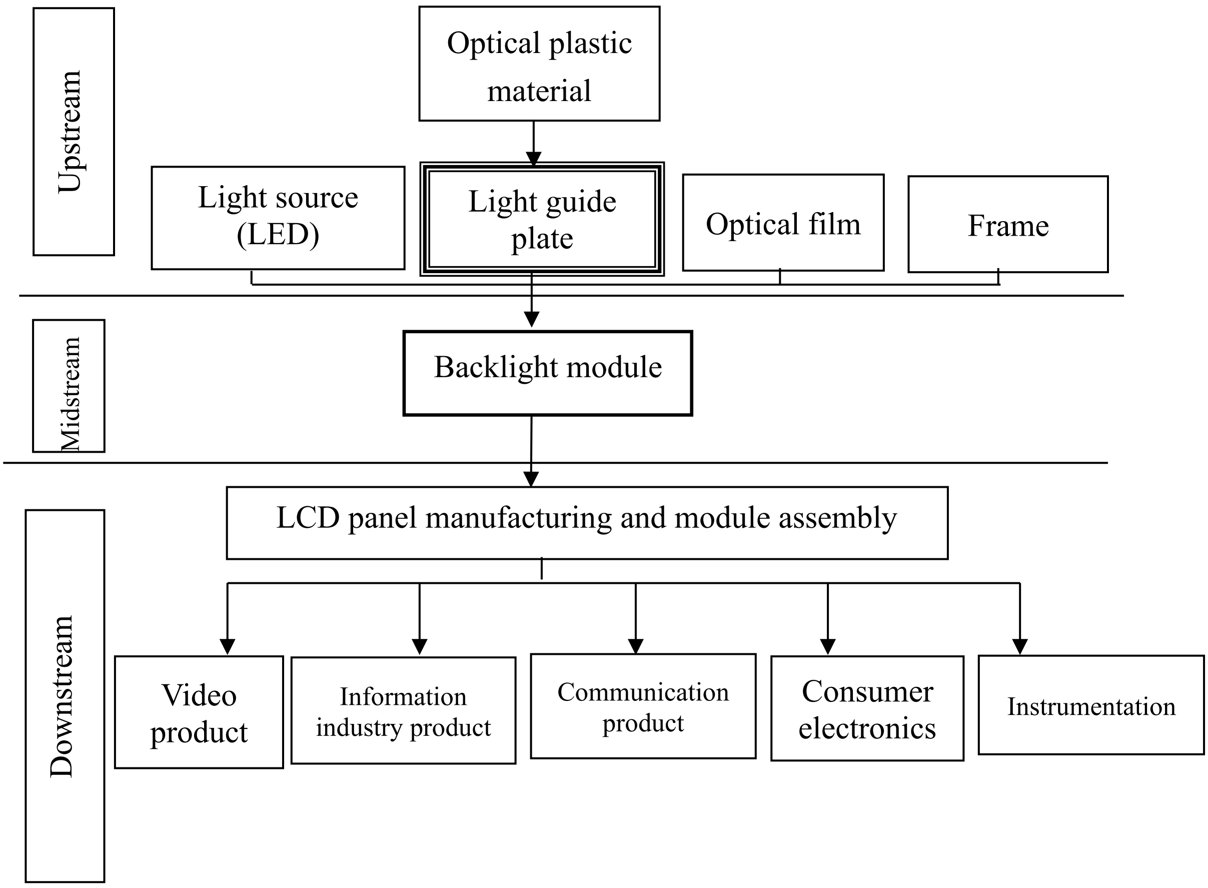
(1) Automotive industry

Due to the wide scope of the automotive industry, the industrial chain formed by the mutual cooperation between relevant satellite manufacturers and various industries is extremely extensive. From the system design of upstream, providing raw material to downstream OEM for assembly and after-sales maintenance are all included in the scope of the automotive industry. The upstream, midstream, and downstream of the automotive components in the automotive industry are shown in the figure below. For the suppliers of the Company's sheet metal products, steel and other metal parts are purchased from the upstream suppliers, and they are delivered to downstream OEMs after stamping and welding processes.



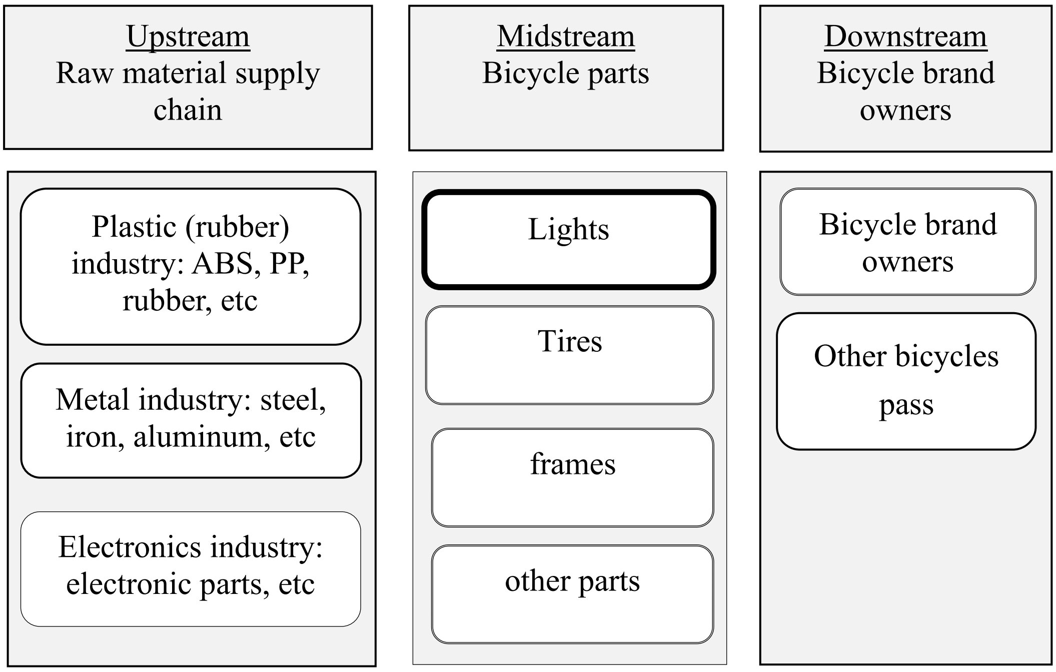
(2) Automotive liquid crystal display industry

The mainstream display technology for the development of automotive liquid crystal display industry is the thin film transistor liquid crystal display (TFT-LCD). The upstream of LCD includes the suppliers of chemical materials, back light, mask, ITO conductive substrate, plastic frame, prism sheet, diffuser film, brightness enhancement film, light guide plate, backlight module and driver IC; The midstream of LCD includes the suppliers of liquid crystal panel, display module assembly and relevant production process and inspection equipment; The downstream of LCD includes the suppliers of various flat panel display applications such as laptops , LCD monitor, LCD TV and smartphone. For the suppliers of the Company's injection part products, the optical plastic materials are purchased from the upstream suppliers, and after the injection molding process, they are delivered to the downstream suppliers such as backlight module factories or panel factories.



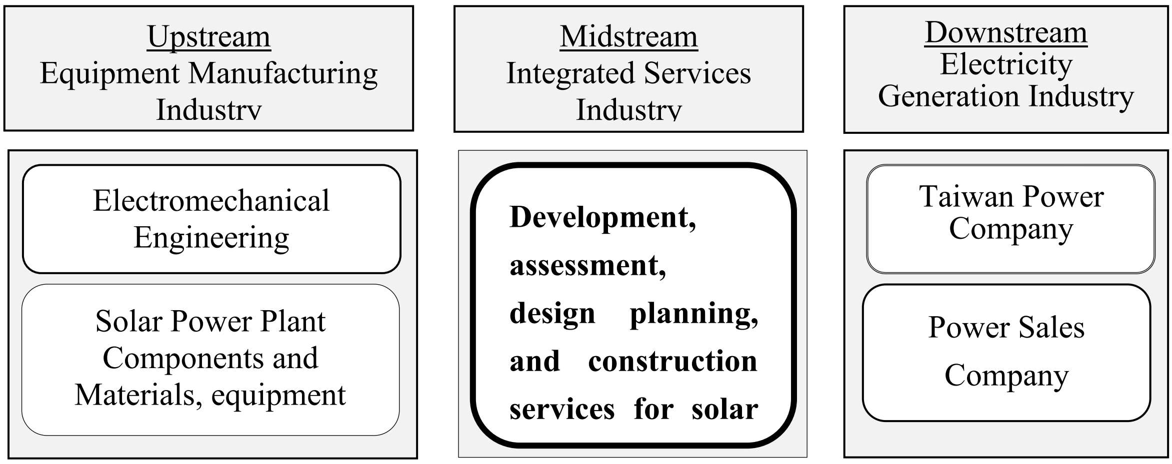
(3) Automotive lighting industry

In terms of the bicycle industry supply chain, the scope of the bicycle extends from upstream raw material suppliers to downstream bicycle brand manufacturers. The collaboration among relevant manufacturers and industries forms a vast supply chain. The upstream, midstream, and downstream of bicycle components are illustrated in the diagram below. Our company primarily sources upstream materials such as plastics (rubber), metals, and electronic components, which are then assembled into bicycle lights and delivered to downstream bicycle brand manufacturers.



(4) Solar energy industry

The owner (land property owner) either develops or leases the land to investors for the construction of renewable energy power plants. Through the engineering, procurement, and construction model, an EPC contractor, appointed by the landowner, is entrusted with the project's feasibility study, surveying, design, procurement, construction, trial operation (and final acceptance). The EPC contractor is responsible for the quality, safety, construction schedule, and cost of the project. The landowner or investor sells the electricity generated from the renewable energy power plant to Taiwan Power Company or electricity distributors based on a power purchase agreement. At present, the Company primarily generates revenue from the construction of renewable energy plants under the EPC model.



3. The development trends and competition for the Company's products

(1) Various development trends of products

Metal stamping parts

A. New stamping processing technology:

Hot stamping technology, progressive die stamping technology, multi-station stamping technology

B. Mold development:

Use the digitalized system management technology to conduct immediate detection of relevant processing parameters during mold manufacturing process, improve the initial precision of the mold and reduce the time spending on subsequent benchwork and mold manufacturing process.

C. New material development trends:

Under the energy-saving and environmental protection trend of lightweight vehicles, using high strength steel sheet can reduce the weight of the car body and have been used for the components of vehicle structure and reinforcements such as A-pillar, B-pillar, and C-pillars or body panel. Furthermore, there is also aluminum alloy body or magnesium alloy body that might come into existence in the future. The manufacturing of different materials will have different process and production parameters.

Injection parts

With respect to automotive display applications, steady growth in the automotive market, together with the ongoing trend toward vehicle electrification and electronic integration, is expected to drive a continued increase in the number of in-vehicle displays installed per vehicle. In addition to center consoles, instrument clusters, head-up displays (HUDs), and in-vehicle entertainment systems, the trend toward replacing traditional rear-view mirrors with camera-based systems has become increasingly evident. As a result, demand for automotive display panels is expected to continue exhibiting strong growth. According to data published by TrendForce and IHS Markit, estimates of automotive display market demand based on overall vehicle shipment volumes indicate that shipments of automotive display panels within the smart cockpit market, calculated to include smart cockpit components such as domain controllers, automotive displays, HUDs, and in-vehicle entertainment systems, are expected to continue growing through approximately 2026, with the overall market maintaining a mid-to-high single-digit annual growth rate. However, as the global automotive market enters a phase of low growth, demand for automotive displays is transitioning from the rapid expansion seen in previous years to a pattern of steady growth accompanied by specification upgrades.

From a product technology perspective, automotive displays are developing toward higher resolution, larger sizes, and higher brightness. Backlight technologies are gradually shifting from traditional edge-lit designs to Mini-LED direct-lit backlight systems with local dimming capabilities, in order to enhance contrast and display quality. These technologies are primarily applied in mid-to-high-end vehicle models, and as costs gradually decline, their penetration rate is expected to increase further. In terms of application trends, the smart cockpit concept continues to deepen, with in-vehicle display systems increasingly integrating information display, entertainment interaction, and human - machine interface functions, and evolving toward multi-screen, curved, and integrated configurations. As electric vehicles and high-end vehicle models become more prevalent, demand for in-vehicle displays continues to rise, driving increased penetration of higher-specification panels. In addition, display sizes for center consoles and instrument clusters continue to expand, with products measuring 10 inches and above becoming the market mainstream, clearly reflecting the trend toward larger display formats.

Automotive lighting

With improvements in LED luminous efficiency and declining costs, LED light sources have become the mainstream technology for automotive, motorcycle, and bicycle lighting. Headlamp design has gradually evolved from traditional single light sources toward matrix-type and intelligent adaptive lighting systems to enhance driving safety and lighting precision. In high-end vehicle models, headlamp designs are also trending toward slimmer profiles, distinctive styling, and integrated configurations, becoming important elements of vehicle exterior design and brand identity. In addition, driven by trends toward electrification and intelligent technologies, lighting systems are progressively incorporating sensing and control technologies to enhance levels of automation and intelligence. In the motorcycle segment and entry-level vehicle models, LED lighting has also been rapidly adopted, supporting steady growth in overall market demand.

With respect to bicycle lighting, as electric bicycles become more widely adopted and safety awareness increases, most electric bicycles are now equipped with lighting systems as standard features, with gradual introduction of automatic sensing on/off functions and intelligent control capabilities. Major markets such as Europe have established relevant regulations for bicycle lighting equipment, further promoting product standardization and growth in market demand.

Solar Photovoltaic System Engineering

As global warming issues continue to intensify, reducing carbon emissions and ultimately achieving carbon neutrality have become common objectives of the international community. In 2023, in response to industrial demand and the net-zero transition, the Taiwan government accelerated the promotion of renewable energy deployment. With respect to the installation of solar power generation projects, development of ground-mounted and floating solar systems in Taiwan has gradually approached saturation due to the country’ s limited land area. As a result, rooftop solar installations, as well as agrivoltaics and fishery-solar symbiosis models, have become the primary directions for further development. It has been stipulated that starting from 2026, newly constructed, expanded, or renovated buildings exceeding a specified scale will be required to install solar photovoltaic systems, which is expected to increase the overall capacity of solar power generation projects.

(2) The competition of products

Metal stamping parts

The automotive industry is an oligopolistic and closed market. All automotive part and accessory factories have to go through a strict and lengthy certification process before they can enter the supplier systems. The automotive part and accessory factories not only have to go through the strict examination and certification before entering the supply system, but the quality of each supply must meet the strict requirements of the car dealerships. Furthermore, they have to cooperate with the regular and irregular on-site inspections of the car dealerships, the certification process and maintenance costs have become the entry barriers to the automotive supply chain. At present, the Company has cooperated with some joint ventures and self-owned brand automakers in China for long-term and stable supply. Moreover, the Company also possesses mold design, R&D and self-made capabilities. Therefore, the Company is able to deal with the design change of the automakers or mold repair of the manufacturing process immediately and communicate effectively, which can greatly shorten the manufacturing process and improve the interdependence between the automakers and the Company.

Injection parts

As production capacity among TFT-LCD manufacturers continues to exceed demand, prices of liquid crystal display modules have remained on a downward trend. At the same time, the range of product applications continues to expand. How to effectively reduce costs while enhancing the performance of backlight modules has become the key factor determining success for light guide plate manufacturers in the next stage of industry development. At present, many manufacturers lacking in-house design and development capabilities, as well as small and medium-sized suppliers, have gradually exited the market due to insufficient production efficiency and sustained operating losses. In addition to possessing optical research and development capabilities, the Company has taken into account the production of high-quality products across the entire process, from mold and core machining to downstream optical component manufacturing. For example, the processing of optical microstructures is carried out using five-axis ultra-precision machining, enabling the surface roughness of optical mold cores to reach nanometer-level precision. In terms of manufacturing, automated production processes have been fully implemented to ensure consistent product quality while significantly reducing labor requirements. As a result, the Company is able to provide customers with products that combine high quality with cost efficiency. Furthermore, through collective efforts of the team, in the area of automotive optical injection components, in addition to stable shipments of light guide plates for automotive display panels, the Company has also successfully developed optical lens products for LED automotive lighting.

Automotive lighting

The Company has developed a new light-guide-based automotive lighting technology. This technology differs from conventional PES automotive lighting systems. The architecture is based on fundamental optical principles and leverages the material properties of optical plastics. Through the integration of LEDs with light-guiding components and lens design, optimal performance of the lenses and light-guiding elements requires precise optical design and ultra-precision machining capabilities in order to achieve high-efficiency optical performance through total internal reflection of LED light. High efficiency in the utilization of light source energy represents the core focus of the Company’s development in optical technology innovation and competitiveness.

The optimization of the optical structure of the Company's headlights has changed the traditional reflector structure. By replacing the old design with the combination of LED and light guide, the efficiency of LED can be improved and the mechanism and components can be greatly simplified. Moreover, optical simulation and repeated testing can ensure the Company’s products comply with optical regulations. The structure of light guide is applied to the light source of light guide headlights for cars and has successively completed the verification of product specification, automotive lighting PES module design and manufacturing, and ISO9001:2015 verification, etc. The company has successfully stepped into the automotive lighting market through the patented technology. Moreover, through the patented optical structure technology and the simplification of the parts of headlight mechanism, the Company has completed the development of the automotive headlight with a height of 2cm, the motorcycle headlight with a height of 1cm, and bicycle headlight with a height of 0.6cm, which can realize the demand for thinner lamps of cars, motorcycles or bicycles in the future.

Currently, the light source module inside LED headlights adopts the Projection Headlight System (PES). However, due to assembly and manufacturing tolerances between the oval mirror, reflector, and LENS, the focus may shift. This will result in non-compliance with lighting regulations and require rework or even scrapping, leading to a decrease in yield and increased costs. The Company has developed a new optical architecture patent to improve the manufacturing process. This architecture uses the light of LED to transmit light through a light guide and LENS to project an image in the desired location. As there is no aluminum coating process or focus displacement problems, the cost of production is lowered and the undesirable loss of poor focus in assembly is eliminated. Moreover, this simplified architecture reduces weight by approximately 65%, reduces product size by 3 times, and significantly lowers material costs. Fully automatic assembly, which greatly reduces the costs of product assembly, can be achieved in the mass production process.

Solar Photovoltaic System Engineering

Under the promotion of domestic solar energy policies, the demand for solar photovoltaic system installations has gradually expanded. Due to the optimistic outlook on the growth stage of Taiwan’s solar EPC market, upstream solar industry players and other companies have begun to enter the fields of site development, system design, and construction, resulting in increased competition. Leveraging the experience accumulated from previous EPC projects, our management team continues to build on existing technologies—not only enhancing the quality of power plant construction, but also focusing on advancing operation and maintenance technologies and monitoring systems to strengthen the Company’s overall competitiveness

(III)Research and development

1. The research and development expenditures invested in the most recent fiscal year were NTD27,485 thousand.
2. The product successfully developed during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report

The Company has entered the optical industry since 2004. In addition to the continuous development of light guide plate technology and products, it has also continued to invest in the research of automotive lighting technology in recent years and has successfully developed thin car headlights. Furthermore, the Company has entered the automotive metal stamping and welding parts industry since 2018. With excellent R&D team and development strategy, meeting the application needs of customers, continuous design innovation and improvement, the Company has successfully developed various technologies and applications, and has gained the competitive advantages. As of the publication date of the annual report, the Company has applied for 14 patents and has been granted 69 patents, of which 26 are invention patents.

(IV) Long-term and Short-term Development

In addition to continuing to expand its business in small- and medium-size automotive light guide plates and bicycle brand lighting products, the Company aims to further develop its existing technologies and, together with improvements to automated production lines, achieve significant cost reductions. At the same time, the Company plans to develop additional applications for optical injection components. On the other hand, amid heightened geopolitical risks, uncertainty in financial conditions, and the impact of extreme climate events, many research institutions have projected a slowdown in future global economic growth. Nevertheless, Asia is expected to remain a major driver of global economic growth. At present, demand in the China automotive market continues to grow steadily in the domestic market, while automotive exports have surpassed Japan to become the largest globally, and the share of China in the global new energy vehicle market continues to increase. However, given the complex challenges currently facing the global economy, both global economic conditions and developments in the China automotive market must be approached with caution. To enhance business diversification, the Company will continue to allocate resources to the Solar Energy Business Division. In addition to maintaining rooftop solar project engineering operations, the Company plans to expand into solar projects of various types and larger scales, strengthen revenue growth from non-automotive businesses within the Group, and actively seek additional growth opportunities in Asian markets outside of China.

The Company's business development plans are outlined as follows:

1.Short-term plan

(1) Continuously improving the mold structure and production process of light guide plates larger than 10 inches to enhance yield rates and gross profit margins.

(2) Actively promoting bicycle lighting modules to major domestic and international bicycle brand companies and entering the mass delivery stage.

(3) Collaborating with brand clients to jointly develop motorcycle lighting, assisting brand manufacturers in enhancing the aesthetics and driving safety of their vehicles.

(4) Maintain the cooperation with the original delivery automotive manufacturers and obtain the opportunities of increasing new business from them. Maintain the partnership with existing delivery automobile manufacturers and obtain new business opportunities and growth from them.

(5) Develop the expansion of business transaction of automotive OEMs in China and Thailand and keep up with the development trend of electric vehicles.

(6) Continuously improve the production process, increase production efficiency, reduce unit cost, and maintain high gross profit.

(7) In line with the global trend of net-zero carbon emissions, we will gradually participate in the development of the green energy industry.

(8) Continuously and actively developing the construction of medium and large-scale solar power plants.

2.Long-term plan

(1) Continuously improve R&D and design capabilities, and cultivate outstanding talents.

(2) Improve optical design, electronic components and automotive lighting assembly R&D and manufacturing capabilities, establish complete development database and shorten the time of new products released to the market to meet the needs of rapid development of electric vehicles in the future.

(3) Reduce the size of the light source module to below 5 mm × 5 mm, achieving the world's smallest bicycle lighting source area, thereby providing electric bicycles with greater flexibility in exterior design. At the same time, continue to increase headlamp brightness to above 60 lux, offering the bicycle market a superior selection of lighting products.
(4) Develop matrix-type LED headlamps and liquid crystal intelligent headlamps, and pursue entry into the automotive lighting market for European automotive brands.
(5) Based on mass-production track records achieved under medium-term objectives, seek qualification to become a supplier of motorcycle lighting products for international brands.
(6) To keep up with the business development of automotive OEMs, not only has the Company cooperated with China market, but also going to build up plants overseas for supply.
(7) With the Company's self-made automotive metal mold capability, it can meet various customers' needs in the early stage of product development, shorten the development time of new products and increase the revenue of mold, and evaluating investments in the Thai market.
(8) Enter into other high value-added automotive component markets through self-development of core technical capabilities, strategic collaboration or equity investment.
(9) Focus on diversification. Develop on the basis of optics injection and metal stamping parts, and apply these products to other product markets to diversify the Company's business risks. In addition, in line with the advent of the ESG era, we will increase investment in the green energy industry and continuously seeking and evaluating the renewable energy market in Southeast Asia.

II. Market and Industry Overview

(I) Market analysis

1. Sales region of the Company's main product

Unit: in NT$ thousand; %

Year / Sales region	2025	
	Amount	%
China	841,453	70.34
Taiwan	354,017	29.60
Others	724	0.06
Total	1,196,194	100.00

2.Market share

According to statistics published by GlobalData, total global automobile sales reached approximately 92.13 million units in 2025, representing a year-on-year increase of 3.8%. Meanwhile, based on data surveyed by the Information Department of the China Association of Automobile Manufacturers (CAAM), automobile sales in China in 2025 amounted to approximately 34.40 million units, compared with 31.44 million units in 2024, reflecting year-on-year growth of 9.4%. China has continued to rank as the world's largest automobile market. In the area of optical injection components, the Company is primarily engaged in the manufacturing, research and development, and sales of light guide plates and plastic frames for automotive display panels. Such products account for more than 90% of the Company's revenue sources. According to statistical data from the research firm Sigmaintell, global shipments of automotive display panels for original equipment installation reached approximately 240 million units in 2025. During the same year, the Company's annual shipment volume of light guide plates and plastic frames amounted to approximately 8.156 million units, representing an estimated 3.4% share of the global automotive display panel market. Company's annual shipment volume of light guide plates and plastic frames amounted to approximately 8.156 million units, representing an estimated 3.4% share of the global automotive display panel market. With respect to metal stamping parts, due to geopolitical considerations and transportation costs, the Company currently supplies only to Japanese and German joint-venture automakers and domestic brands in Central China. Regarding solar photovoltaic system engineering, the newly installed capacity is expected to reach approximately 5.14MW, accounting for about 0.43%of Taiwan's total installed capacity, which is about 1,193MW.

3.Demand and supply conditions for the market in the future

In recent years, the intensification of international trade protectionism has heightened competition across industries, creating operational challenges for automotive component suppliers. Nevertheless, the China automotive market has continued to maintain a growth trend, with vehicle production and sales ranking first globally for 17 consecutive years. As China's automotive supply chain becomes increasingly mature and benefits from cost advantages compared with overseas markets, favorable government policies and technological innovation in 2025 are expected to support continued steady growth in China's automotive export sales. According to forecasts by the China Association of Automobile Manufacturers, new vehicle sales in China are projected to reach approximately 34.75 million units in 2026, representing year-on-year growth of around 1%. Of this total, new energy vehicle sales are expected to reach approximately 19.0 million units, with a year-on-year growth rate of nearly 15.2%, providing favorable business expansion opportunities for automotive-related suppliers. Competition in the global automotive market remains intense, with collaboration among different types of automakers continuing to advance and deepen. Major automotive groups are increasingly exploring cooperative potential, while domestic Chinese brands are accelerating strategic partnerships and mergers. Domestic brand automakers and international automakers are strengthening resource sharing and complementary advantages, which is expected to create improved development opportunities for high-quality automotive enterprises.

In the automotive liquid crystal display panel industry, as automotive displays become a key interface for communication between vehicles and users, the amount of information displayed continues to increase, including navigation systems, audio displays, climate control screens, rear-view display screens, and traditional fuel and speed indicators. As a result, display sizes continue to expand. The mainstream display size has gradually increased from 5-6 inches to 12-13 inches, with average display area expanding by approximately 10% per year, and some vehicle models adopting displays exceeding 20 inches. In addition to increasing display sizes, shipment volumes are also rising. According to research by TrendForce, global demand for automotive display panels is expected to exceed 240 million units by 2026. From 2025 to 2026, as new vehicle models are introduced, in addition to center control screens and instrument clusters that already have high installation rates, there is growing potential for the installation of additional automotive displays, such as rear-view mirror displays and passenger-side displays. This is expected to support an annual shipment growth rate of approximately 8% to 9%, reflecting strong market momentum. Looking ahead, global automotive display market trends are influenced by the promotion of electric vehicles and the accelerated development of intelligent vehicle cabins. As automotive display panels serve as critical hardware for human-machine interaction, the number of displays installed per vehicle is also expected to grow rapidly.

With respect to the automotive lighting industry, according to a market research report released by Value Market Research, the global bicycle lighting market is expected to grow from approximately USD 480.32 million in 2025 to USD 1,168.27 million in 2034, representing a compound annual growth rate of 10.38% from 2026 to 2034. The global bicycle lighting market is segmented into headlamps, tail lamps, spoke lights, and frame lights, with headlamps representing the largest revenue segment and holding a dominant market position. Amid rising global fuel prices, environmental pollution concerns, and traffic congestion, sales of electric bicycles have increased year by year across countries. As bicycles become increasingly popular as a sustainable and healthy mode of transportation, demand for bicycle lighting products has correspondingly increased.

Driven by global climate anomalies, the promotion of solar photovoltaic power has become a common trend in the development of green energy worldwide, with countries striving toward net-zero emission and sustainable development goals. In response to this global green transition, the Taiwan government has set a target to achieve 20 GW of installed solar photovoltaic capacity by November 2026 and has implemented subsidy incentives and regulatory requirements mandating the installation of solar energy systems in designated settings. These measures are expected to significantly increase demand for rooftop solar photovoltaic projects in the domestic market. Under government policy objectives, the future growth potential of the domestic solar photovoltaic market remains promising.

4.Competitive niche

Metal stamping parts

(1) Ability to provide the quality that is able to satisfy customers
(2) Self-made mold development capability
(3) The- Company’s management team has been exploring and working hard in the automotive component industry for years
(4) Gain the advantages of quality stability and price through standard operating procedure (SOP).

Injection parts

(1) Possess over 30 years of precision module and experience
(2) Possess the equipment and professional capability of core part ultra-precision machining
(3) Rapid optical development capability and high luminance performance
(4) A plastic injection plant for optical parts that can simultaneously integrate molds, optical design, etc.

Automotive lighting

The Company’s light-guide-based optical structures are applied to both lighting lamps and signal lamps, enabling the achievement of compact lamp sizes and low energy consumption that traditional automotive lighting manufacturers are unable to realize. Going forward, the Company will continue to focus on research and development aimed at improving light source energy utilization efficiency and reducing the size of optical conversion engines, with the objective of offering customers a broader range of innovative automotive lighting solutions.

Solar Photovoltaic System Engineering

The Company's management team has integrated its accumulated experience in EPC project implementation, possessing extensive expertise in project planning, design, and construction. Engineering services are provided on a project basis, with close coordination based on client requirements and contract specifications. The Company maintains real-time control over project progress and construction quality to ensure customer satisfaction.

5. Advantages and disadvantages for future development and response measures

(1) Advantages

Metal stamping parts

A. The Company has adopted build-to-order, therefore the Company has lower stock and stable long-term orders.

The orders of automotive OEMs are based on planned production, which has planned several months or annual predictive quantities and is beneficial to the production scheduling and planning of component satellite factories. Moreover, the suppliers must go through tedious tests and certifications when car dealerships are evaluating their new suppliers. As a result, Therefore, it increases the entry barrier to those new suppliers and the order volume is relatively long-term and stable.

B. China market has been the world's largest sales country for over ten consecutive years

China's continuous growing economy and rising wages has brought prosperity and stable growth to the automotive industry. In addition, after the implementation of urbanization in China, the income of residents will increase and China should continue to be the world's largest sales country. As a result, China is the most important market to the automotive component industry.

C. The long-term supply system of China's major car manufacturers

At present, it has stably supplied to China's major automakers such as SAIC Motor, Dongfeng Nissan, SAIC Volkswagen, and BAIC Motor, and is on a good foundation. With close cooperation with various car manufacturers, there will be stable growth.

Injection parts

A. The Company's R&D and design capabilities are cultivated and developed through its own technology, rather than technology transferred from other manufacturers. The Company establishes the advantages of its own technology by working on the study of optics, therefore, the Company’s independent R&D and design capabilities are an important source of its market competitiveness.

B. The integration of optics, mold design and development, and injection molding technology enables the Company to continuously put in efforts, speed up new technology development and recruit optic-related talents to improve customer satisfaction.

C. Due to the competition from Japan, South Korea, China and other countries, Taiwan's panel plants are facing increasing pressure on panel prices. In addition to the consideration of cost, the stability of the supply source of components also needs to be taken into consideration. With the mentioned considerations, the Company established its injection parts production base in Taiwan and is committed to improving the degree of automation and reducing manpower needs. As A result, the Company has gained the competitive advantage in cost.

D. The Company has high process yield rate. Moreover, the mass production technology and the quality of the Company's factories possess a high degree of stability. Therefore, with these advantages, the Company can save considerable manufacturing costs and deliver goods in time to meet customers' needs.

Automotive lighting

A. The Company's technical team is mainly composed of talents from the panel industry and are equipped with rich experience in how to use LED light sources for optical structure design.

B. The Company's headlight technology is completely developed its own. After achieving the preliminary results, the Company will put more efforts into R&D resources in improving light source efficiency, power consumption and headlight volume and constantly provide innovative headlight structure to two wheels car dealerships.

Solar photovoltaic system engineering

A. As environmental awareness continues to rise globally, the Taiwanese government has shown strong support for the renewable energy industry, driving domestic market demand.

B. The Company's technical team has accumulated many years of experience in solar power plant construction, demonstrating strong expertise in the design, planning, and operational management of solar projects. The quality of its engineering work has earned the trust and recognition of its clients.

(2)Disadvantages and countermeasures

Metal stamping parts

A. Annual price reduction pressure on car dealerships

After the mass production of new car models, the car dealerships have to face the competition from other brands. In order to maintain their sales, there is pressure for them to lower the prices. The price reduction pressure will be passed on to the upstream automotive component factories, which will result in a reduction in gross profit.

Countermeasures:

By closely cooperating with the process of automakers to achieve the improvement on material utilization and obtain mold design change orders to reduce the pressure on annual price reduction. On the other hand, the Company continues to put efforts into production process reengineering to improve production lines, increase automated equipment and enhance the quality of management and production efficiency to decrease the pressure on price reduction.

B. Labor cost has been increased year by year

Minimum wage standards and social welfare benefits are adjusted upward annually across provinces in China, thereby compressing corporate profitability.

Countermeasures:

Improve employees' productivity through setting goals and performance management. Increasing automated equipment to reduce manpower needs and continue to improve existing production and operating process to cut down on production cost.

Injection parts

A. Increasing pressure on price competition

Due to the fierce competition of small and medium-sized panels, the pressure on the procurement of panel components has increased. The downstream panel or backlight module customers of the Company are all major international manufacturers, and the Company's shipment is large and stable. Moreover, the Company has an advantage in price negotiation, so the pressure on the Company lowering the prices will gradually increase.

Countermeasures:

The Company actively improves the yield rate, expand the economic scale and continue to shorten the molding time in the injection procedure to maintain the competitive advantage of high gross profit and reduce the stress on price competition.

B. The main raw materials are controlled and supplied by a few manufacturers

The main raw materials of the light guide plates are plastic materials such as PMMA or PC. The source of supply is mainly supplied by a few major manufacturers in Japan and other countries, and those manufacturers must pass the certification of major panel manufacturers, therefore it is difficult to replace those suppliers. As a result, the procurement of raw materials is restricted to these conditions and price negotiation is not an easy thing.

Countermeasures:

In addition to actively maintaining good cooperation with key suppliers to ensure that there is no problem with all the Company's supply sources, the Company also cuts down on the use of materials, etc. thorough innovative research and development technology, with an expectation to reduce the dependence on external raw materials.

C. The Company's customers and products are excessively concentrated

The Company's current main product is the light guide plate of the automotive panel display. Moreover, this product is sold to a single customer, which is likely to cause a relatively high risk to the Company's business operation.

Countermeasure:

The main technology of the Company's subsidiary, Tan De Tech, is optical design combined with ultra-precision mold and precision injection. Therefore, the Company can take advantage of this edge to develop the optical components that require high precision technology, such as mirrors used in HUD, LENS for headlight, etc.

Automotive lighting

A. The entry barrier for bicycle industry supply chain and lack of actual mass production performance of headlights

Automotive lighting is a niche market characterized by relatively high gross margins, high technical barriers, and lengthy certification processes. On average, manufacturers require three to five years to enter original equipment manufacturer (OEM) supply chains. Once a supplier is qualified and enters a bicycle OEM supply chain, considerations of traffic safety require manufacturers to ensure consistency of component sourcing. As a result, suppliers are difficult to replace, and the price-cutting competition commonly seen among consumer electronics suppliers does not apply. The Company has collaborated with a major German bicycle lighting brand to jointly develop bicycle lamps embedded into handlebars, achieving highly miniaturized designs and providing innovative solutions in the bicycle lighting field. These products have now entered the mass-production stage. In addition, the Company has assisted a major Taiwanese bicycle brand in developing rear rack tail lamps, which have also entered the mass-production stage.

Countermeasures:

With respect to bicycle lighting, the Company has developed multiple next-generation embedded slim headlamps for electric bicycles. The compact size of the miniaturized light source modules provides bicycle manufacturers with greater flexibility in headlamp placement during product design, thereby creating opportunities for collaboration. These products have entered the stage of mass production and delivery to the European market and major Taiwanese bicycle brands.

Solar Photovoltaic System Engineering

A. Intense market competition and rising construction costs

Due to fierce competition among domestic solar EPC companies, price wars between contractors have compressed profit margins. Additionally, the construction costs of solar projects are significantly affected by fluctuations in raw material prices, and the high wages for technical labor also contribute to the overall increase in construction costs.

Countermeasure:

The Company has accumulated years of experience in project construction, with a strong grasp of equipment and material suppliers, as well as bargaining power. By outsourcing to experienced contractors, we aim to effectively control project costs and maintain profitability.

(II) Usage and manufacturing processes for the Company's main products

1.Usage for the Company’s main products

(1)Automotive metal stamping parts are mainly used for automotive components such as rear wheelhouse outer panel, exterior tail gate reinforcement, A-pillar reinforcement panel, B-pillar reinforcement panel, C-pillar reinforcement panel, D-pillar reinforcement panel, rear end panel, tail light bracket, rear carling reinforcement, etc.

(2)Injection parts are mainly high-luminance light guide plates with LED backlights. Its main use is the key light source components of liquid crystal displays (LCD).

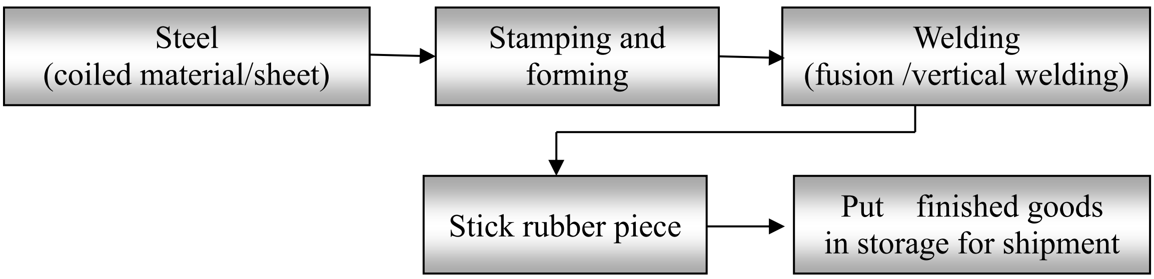
(3)Automotive lighting parts are mainly used for the lighting of transportation tools and signal lamps, etc.

(4) Solar photovoltaic system engineering refers to the installation of solar PV systems for power generation. This can provide owners with the option to sell electricity to Taiwan Power Company or use the electricity for self-consumption.

2.Manufacturing process for the Company’s main products

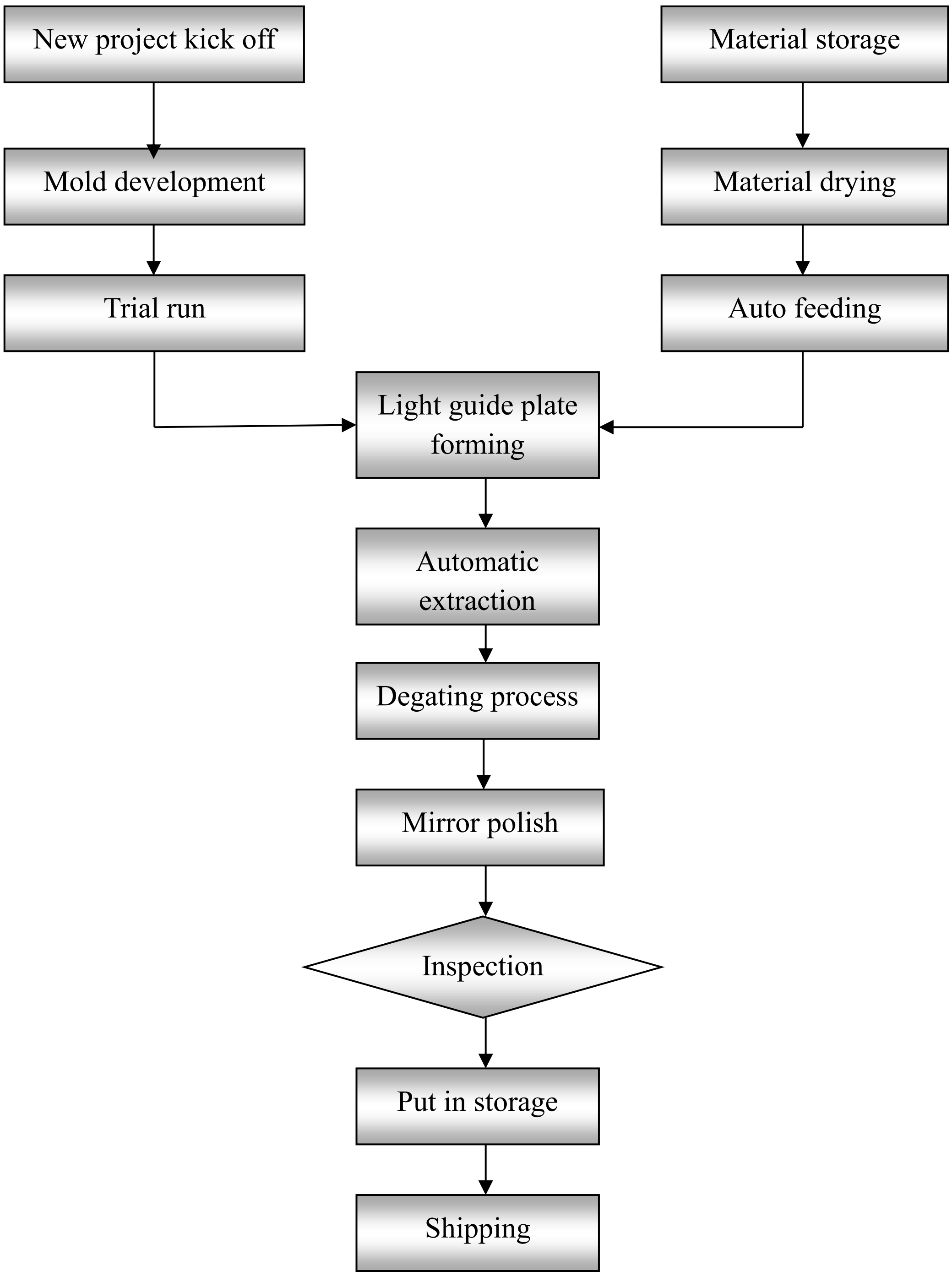
(1) Automotive metal stamping parts

The manufacturing process of the Company's automotive metal stamping parts is to blank the steel into sheets in the form of coiled material, and then send them into the stamping machine for stamping and forming. Next, after the shot-welding process and sticking rubber piece, it will be put into storage. The manufacturing process is shown in the following figure:



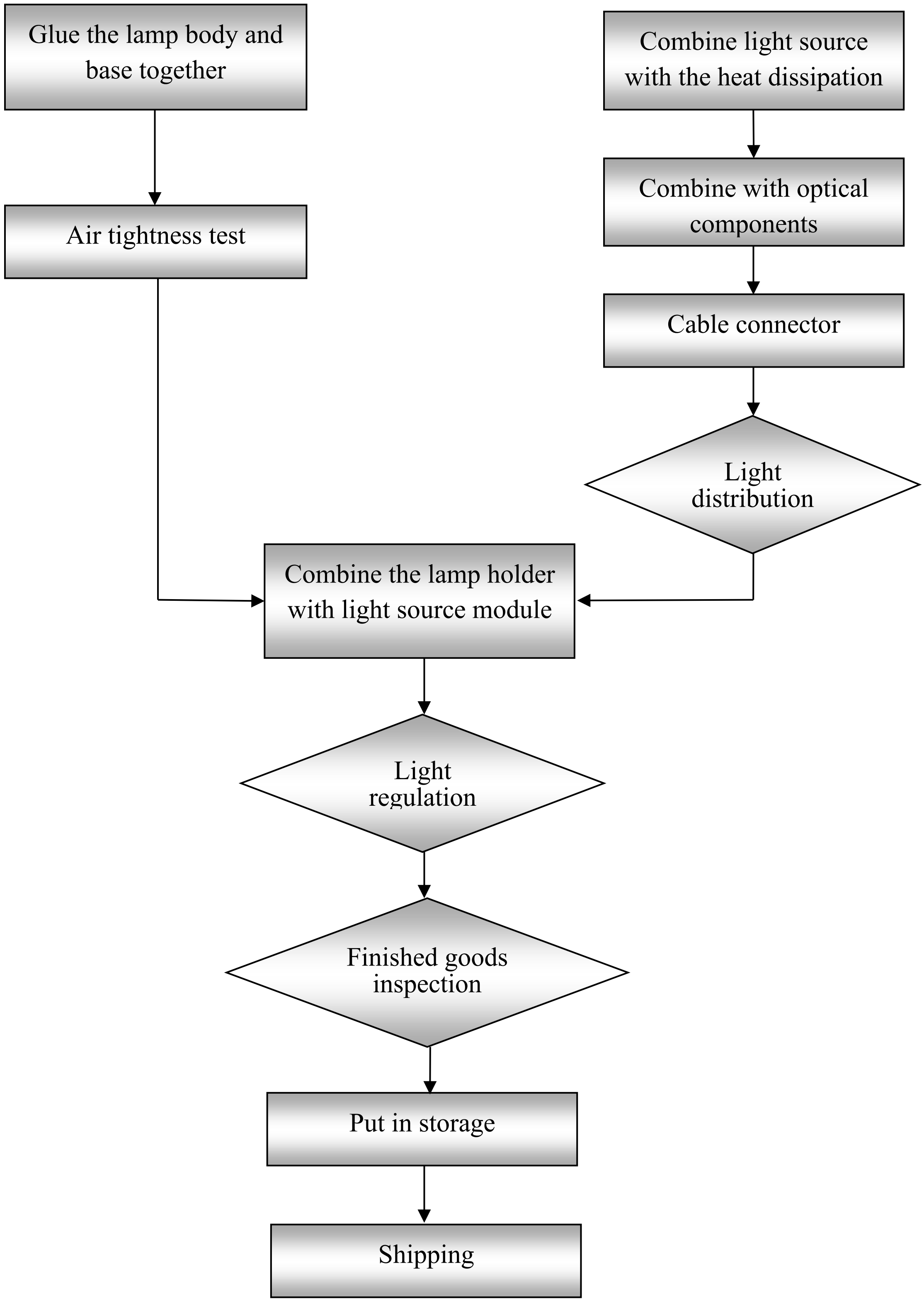
(2) Automotive liquid crystal display panel industry－injection parts

The manufacturing processes of the Company's primary products, including light guide plates, light guide columns, and lenses, involve the use of optical-grade plastics such as PMMA or PC. The plastic raw materials are first placed into drying equipment for moisture removal. After drying, the materials are injected using injection molding machines in combination with molds and optical structures to perform plastic injection molding. Following molding, the products are cut and polished using cutting machines or trimming and polishing machines, and are then packaged and stored. The process flow is illustrated as follows:



(3) Automotive lighting industry-headlight assembly

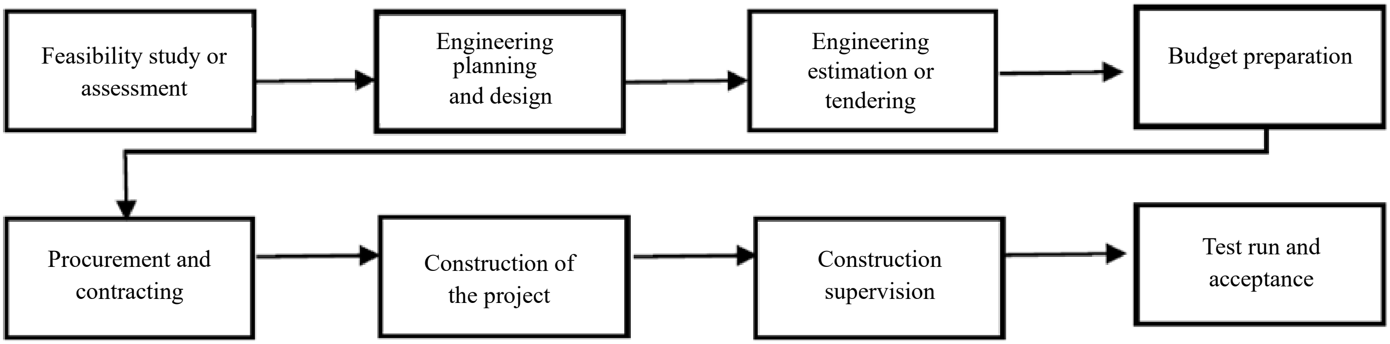
The manufacturing process of the headlight assembly parts, the Company's main product, is to combine the lamp holder with the light source module and the finished headlight assembly parts will be tested for light regulation test. Finally, they will be packed and put in storage. The manufacturing process is shown in the following figure:



(4) Solar photovoltaic system engineering

The Solar Photovoltaic System EPC (Engineering, Procurement, and Construction) primarily integrates upstream industries, including solar cells and modules (PV Modules), power regulators (including inverters, system controllers, and parallel protection devices), support structures, cables, junction boxes, and meters, to construct power generation plants.

The Company undertakes engineering projects and proceeds with the procurement of materials and equipment, including water, electricity, air conditioning, and fire protection systems. After clarifying the integration interfaces of each system, the project is completed, and upon the owner's inspection and acceptance, the project is officially completed and enters the warranty phase. The process flow is illustrated as follows:



(III) Supply Status of Main Materials

Most of the Company's main purchasers are suppliers of automotive steel plate and optical-grade plastic materials such as PC, etc. The Company's ultimate supplier is a well-known steel and petrochemical plant in the world and the supply status has been stable. The Company's purchasers of automotive lighting include lamp body, LED, wire assemblies, etc., most of which are also internationally well-known suppliers. Moreover, the Company has maintained a good relationship with these suppliers. As a result, the quality of raw materials supplied by these suppliers has been stable.

(IV) The suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. The suppliers and clients accounting for 10 percent or more of the Company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures

Unit: in NT$ thousand; %

	2024				2025			
Item	Company name	Amount	%	Relation with issuer	Company name	Amount	%	Relation with issuer
1	Company A	206,878	28.84	—	Company A	123,138	16.41	—
2	Company 2	92,489	12.89	—	Company 2	99,118	13.21	—
3	Company 1	88,570	12.35	—	Company 1	35,859	4.78	—
4	Other	329,373	45.92	—	Other	492,193	65.60	—
	Net purchase amount	717,310	100.00	—	Net purchase amount	750,308	100.00	—

The reason for increases or decreases:

(1) Company A primarily supplies steel materials for mass-production, automotive-grade applications. Purchases from Company A in 2025 decreased compared with 2024, mainly because higher inventory levels were built up at the end of 2024 in response to customer order requirements.

(2) Purchases from Company 1 in 2025 decreased compared with 2024, primarily due to a decline in end-market sales in 2025, which resulted in lower purchase volumes from this supplier compared with the prior year..

(3) Company 2 primarily supplies PC plastic pellet raw materials. Due to increased inventory preparation at the end of 2025 in response to customer order requirements, purchases in 2025 increased compared with 2024.

2. The suppliers and clients accounting for 10 percent or more of the Company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total procurement sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Unit: in NT$ thousand; %

	2024				2025			
Item	Company name	Amount	%	Relation with issuer	Company name	Amount	%	Relation with issuer
1	Company B	285,168	22.88	—	Company B	262,867	21.98	—
2	Company C	281,162	22.56	—	Company A	178,660	14.94	—
3	Company A	270,477	21.70	—	Company C	178,270	14.90	—
4	Company D	117,122	9.40	—	Company D	129,120	10.79	—
5	Other	292,570	23.46	—	Other	373,899	37.39	—
	Net sales revenue	1,246,499	100.00	—	Net sales revenue	1,246,499	100.00	—

The reason for increases or decreases:

(1) Sales to Company A in 2025 decreased compared with 2024, mainly due to weaker end-market sales performance of vehicle models in 2025, which resulted in a reduction in sales volume of metal stamping components compared with the prior year.

(2) Company B and Company D belong to the same corporate group, and their sales mix and sales amounts fluctuate in accordance with changes in vehicle model development and supply requirements of the group. Total sales in 2025 decreased compared with 2024, primarily due to the continuing trend toward increasing in-vehicle display panel sizes, which led to the phase-out of small- and medium-size panels and a corresponding decline in revenue..

(3) Sales to Company C in 2025 decreased compared with 2024, mainly because sales volumes of the Company’s key metal stamping component products for major vehicle models declined compared with the prior year.

III. The Number of Employees Employed for the 2 Most Recent Fiscal Years, and During the Current Fiscal Year Up To the Publication Date of the Annual Report, Their Average Years of Service, Average Age, and Education Levels

Year		2024	2025	As of March 31, 2026
Employee number	Indirect employee	165	153	150
	Direct employee	129	118	116
	Total	294	271	266
Average age		38.78	39.29	39.52
Average years of service		5.38	6.37	6.51
Education Distribution	Ph.D.	—	0.37%	0.38%
	Master’s Degree	4.08%	4.06%	4.13%
	College/University	37.41%	36.16%	35.34%
	Senior high school	34.02%	34.32%	34.96%
	Below Senior High School	24.49%	25.09%	25.19%

IV. Information on Environmental Protection Expenditures

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

V. Labor Relations

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

1. Benefit plans for employees

(1) Employee’s remuneration

The Company's remuneration policy is determined based on an individual's professional abilities, contribution to the Company, market value of the position held, and correlation with the Company's performance. The Company does not provide any preferential treatment or discrimination based on factors such as gender, age, race, religion, and other similar factors. Moreover, the Company annually allocate its earning of no less than 2% and no more than 10% as employee remuneration according to the Company’s Articles of Association. Of the total amount of employee compensation so appropriated, not less than 5% shall be allocated for distribution to non-managerial employees. Recipients of employee compensation may include employees of the Company’s controlled or affiliated companies who meet certain eligibility criteria.

(2) Annual salary adjustment

Salary adjustments will be based on the company's operational performance and individual's annual performance evaluations.

(3) Major holiday bonuses

Bonuses for the Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year will be distributed based on the company's operational condition.

(4) Employee welfare

A. The company has an employee welfare committee responsible for planning and implementing various employee welfares, including marriage subsidies, funeral subsidies, compensation for hospitalization due to illness or injury, children's education subsidies, employee gatherings, birth cash gift, birthday celebration meal expenses, travel subsidies and three major holiday bonuses.

B. Employees’ holidays, including annual paid special leave, are handled in accordance with the labor laws and regulations of the location where each factory is located.

C. Hold year-end party, employee family day activities and corporate wellness activities, offering meal subsidies, and employee health check subsidies.

(5) Insurance:

Start from the first day of employment, the employees have been participating in group insurance. For the employees stationed abroad, they are additionally covered by accident insurance.

(6) Friendly workplace

A. The Taiwan headquarter implements flexible working hours to promote work-life balance and establish a friendly workplace.

B. The company has established “Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment”, including information on complaint hotlines and dedicated email, and has disclosed in the management regulations, which provides employees with a work environment free from sexual harassment.

C. The Company offers equal pay and promotion opportunities for men and women, without discrimination based on factors such as gender, age, race, nationality, etc.

2. Continuing education and training

The company and its affiliated companies have established “Operating Procedure of education and training” as the basis for employee training. The Company annually provides diversified training courses based on employees’ need of professional competency and leaning and various on-the-job professional courses, which include:

(1) The main contents of the training courses for new employees include orientation, Company culture, and explanation on rules and regulations.

(2) The main contents of the on-the-job training courses for employees currently employed include comprehensive or multilevel general education training courses, professional/skill-specific training courses required for various functions, and the development training programs for talent cultivation planning.

3. Retirement systems and the implementation status

The Company and domestic subsidiaries have all complied with the provisions of the “Labor Pension Act” The Company has adopted defined contribution pension plan according to the Labor Pension Act, which is to contribute 6% of the total monthly salary as retirement pension and deposit it into the individual account established by the Bureau of Labor Insurance. Furthermore, employees may also choose to contribute additional retirement pension within 6% of their monthly salary to their personal retirement account. The Company's contribution amount in 2025 was NTD3,704 thousand. The Company's overseas subsidiaries will allocate a certain percentage of employees' salaries for old-age pension in accordance with local laws and regulations, and their contribution amount in 2025 was NTD5,304 thousand.

4.The status of labor-management agreements and measures for preserving employees' rights and interests

(1) The Company places great importance on communication between labor and management, maintains diverse and open channels for communication, and creates a humanistic working environment and harmonious working atmosphere, and everyone in the Company has been working on achieving these goals.

(2) The stipulation of the Company's personnel management system and regulations comply with labor laws and respect the basic principles of human rights. The Company's personnel management system and regulations specify the rights and obligations of employees, as well as benefit plans, in order to protect the legal rights and interests of employees. Moreover, the Company reviews relevant systems and regulations from time to time to protect all the employees' rights and interests.

(3) To provide a communication channel for employees, the Company regularly convenes labor-management meetings and sets up an Employee Welfare Committee. Also, sending e-mails from time to time to inform employees of the Company's related information on corporate operation. By these means, the Company establishes a communication channel for employees' regular communication and enable them to express their opinions.

5.Working environment and safety

(1) To ensure maximum safety and security for employees while working, the Company has installed access control card devices at all entrances and emergency call buttons at certain locations. All main entrances are guarded by security 24 hours to ensure the safety of employees.

(2) The Company and its domestic and foreign subsidiaries have established regulations for occupational safety and health management and have designated occupational safety and health personnel. The Company holds annual education and training programs related to labor safety and health and regularly arranges for employees to receive relevant labor safety refresher courses.

(3) The Company and its domestic and foreign subsidiaries also conduct regular maintenance and inspections on the equipment used to ensure that the related equipment is operated properly and complies with safety standards. The Company continuously strengthens the personal protective awareness of the operators and provides instructions on the protective equipment. The Company's on-site workers are fully equipped and wear effective protective equipment.

(4) The Company's subsidiaries in China and Henan Baoheyuan Auto Parts Co., Ltd., has obtained the ISO 45001:2018 certification for occupational health and safety management systems (valid until July 19, 2027 respectively), and implementing various safety and health measures in accordance with the management system requirements.

(II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

VI. Cyber Security Management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

1.Cyber security risk management framework

The Company's IT department is responsible for matters relevant to cyber security, strengthening cyber and communication security management, inspections to ensure the confidentiality, integrity, and availability of related cyber and communication assets to provide an information environment that supports continuous business operations. Moreover, the Company has stipulated “Computer processing cycle”, “Personal Data Security Protection Act”, “Information Management Regulations” and other relevant internal control systems. The Company has regularly reviewed the internal control systems and report to the board of directors.

2. Cyber security policies

(1) Manage and preserve the confidentiality, availability, integrity, and access authority of cyber security.

(2) Ensure the stability of information services to enable the Company's business operations to run smoothly.

3. Concrete management programs and investments in resources for cyber security management

(1) Concrete management program:

A. Conduct cyber and information security and personal data protection advocacy, and all the new employees must sign a confidentiality agreement.

B. All the outsourced suppliers must sign a confidentiality agreement to ensure that when using the information services provided by the Company or performing related information business, individuals have the responsibility and obligation to protect the information assets obtained from or used that are provided by the Company to prevent unauthorized access, unauthorized alteration, destruction, or improper disclosure.

C. All user computers have installed anti-virus software and the Company has regularly confirmed the update of virus definitions, and the use of unauthorized software is prohibited.

D. Users are required to take responsibility for the safekeeping and use of their accounts, passwords and authorities; moreover, and have to regularly change their passwords.

E. Appropriate backup or monitoring mechanisms have been established for critical information systems or equipment, and regular drills are conducted to maintain their availability

F. An internal audit is conducted regularly each year to ensure the effectiveness of the cyber and information security and personal data protection management systems.

(2) Concrete management programs and investments in resources for cyber security management

A. In addition to the deputy General Manager being responsible for promoting cyber and communication security policies and resource allocation, the Company had discussed during the board meeting on November 11, 2022 and has established a dedicated cyber and communication security unit and a review of information security policies. The Company has appointed one information security manager and one dedicated personnel to be responsible for information and communication security related matters.

B. In 2025, the Company conducted a advocacy of cyber security to strengthen employees' understanding and management of cyber security.

(II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important Contracts

Year	Contract	Contracting party	Commencement date	Expiration date	Main content	Restrictive clauses
2023	Loan agreement	Taiwan Business Bank Co., Ltd.	2023/07/18	2026/07/15	Mid-term credit loan: CNY3,000 thousand	Parent company guarantee
2024	Loan agreement	Bank of China	2024/02/05	2027/02/05	Mid-term secured loan: CNY13,700 thousand	Mortgage on real estate
2024	Loan agreement	Postal Savings Bank of China	2024/03/07	2029/03/07	Mid-term credit loan: CNY5,000 thousand	Shareholder guarantee
2024	Loan agreement	The Shanghai Commercial & Savings Bank, Ltd.	2024/05/13	2027/05/13	Mid-term credit loan: NTD36,000 thousand	—
2024	Loan agreement	Taipei Fubon Bank	2024/06/11	2027/06/11	Mid-term guaranteed loan: NTD 20,000 thousand	Credit guarantee or credit insurance guarantee
2024	Loan agreement	Taipei Fubon Bank	2024/06/11	2027/06/11	Mid-term guaranteed loan: NTD20,000 thousand	Credit guarantee or credit insurance guarantee
2024	Loan agreement	Bank of China	2024/08/22	2027/08/22	Mid-term secured loan: CNY3,000 thousand	Mortgage on real estate
2025	Loan agreement	Taipei Fubon Bank	2025/05/12	2027/05/12	Medium-term secured loan: NT$24,000 thousand	Parent company guarantee
2025	Loan agreement	Bank of China	2025/05/28	2028/05/28	Medium-term secured loan: CNY 3,300 thousand	Mortgage on real estate
2025	Loan agreement	Hunan Liling Rural Commercial Bank	2025/08/26	2028/08/26	Medium-term secured loan: CNY 16,000 thousand	Mortgage on real estate
2016	Supply and sales contracts	Client B	2016/09/01	—	Sheet metal stamping parts supply and sales contract	—
2021	Supply and sales contracts	Client A	2021/06/29	—	Component procurement contract	—
2021	Supply and sales contracts	Client D	2021/06/29	—	Component procurement contract	—
2024	Supply and sales contracts	Company 2	2024/03/14	—	Raw material procurement Contract	—
2024	Supply and sales contracts	Client I	2024/07/31	—	Tooling procurement agreement	—
2025	Supply and sales contracts	Client G	2025/01/01	2025/12/31	Sheet metal stamping parts supply agreement	—
2025	Supply and sales contracts	Client C	2025/01/01	2025/12/31	Sheet metal stamping parts supply agreement	—
2025	Supply and sales contracts	Client J	2025/01/01	2025/12/31	Sheet metal stamping parts supply agreement	—

Year	Contract	Contracting party	Commencement date	Expiration date	Main content	Restrictive clauses
2025	Supply and sales contracts	Client H	2025/01/01	2025/12/31	Sheet metal stamping parts supply agreement	—
2025	Engineering contract	Client E	2025/01/22	—	Solar photovoltaic power generation system engineering contract	—
2025	Engineering contract	Client F	2025/02/07	—	Solar photovoltaic power generation system engineering contract	—
2025	Engineering contract	Company 3	2025/02/11	—	Solar photovoltaic power generation system engineering contract	—
2025	Engineering contract	Client E	2025/05/20	—	Solar photovoltaic power generation system engineering contract	—
2025	Engineering contract	Company 3	2025/06/16	—	Solar photovoltaic power generation system engineering contract	—
2025	Engineering contract	Company 3	2025/07/23	—	Solar photovoltaic power generation system engineering contract	—

Chapter V. Review and Analysis of Financial Position and Performance, and Risks

I. Analysis of Financial Status

The reasons for, and impact of, any significant change over the most recent 2 fiscal years in its assets, liabilities, or equity. Where the impact is significant, describe further how the insurance enterprise plans to respond.

Unit: in NT$ thousand

Year / Item	2025	2024	Difference	
			Amount	%
Current assets	1,213,972	1,028,481	185,491	18.04
Financial assets measured at fair value through other comprehensive income	10,662	19,254	(8,592)	(44.62)
Real estate, plant and equipment	675,358	879,247	(203,889)	(23.19)
Right-of-use assets	158,308	167,453	(9,145)	(5.46)
Intangible assets	17,764	25,625	(7,861)	(30.68)
Other assets	52,267	92,295	(40,028)	(43.37)
Total assets	2,128,331	2,212,355	(84,024)	(3.80)
Current liabilities	779,033	576,535	202,498	35.12
Non-current liabilities	174,106	268,637	(94,531)	(35.19)
Total liabilities	953,139	845,172	107,967	12.77
Capital stock	795,740	795,740	—	—
Capital surplus	44,887	86,376	(41,489)	(48.03)
Retained earnings	(95,796)	(41,906)	(53,890)	128.60
Other equity	(39,513)	(39,057)	(456)	1.17
Treasury shares	—	—	—	—
Non-controlling interests	469,874	566,030	(96,156)	(16.99)
Total Stockholders' Equity	1,175,192	1,367,183	(191,991)	(14.04)

I. The main reasons for any material change (the change reaches 20 percent or greater and the sum involved amounts to NTD10,000,000) in the Company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof:

1. Decrease in property, plant and equipment: Mainly due to adjustments to the Group’s operating strategy in 2025, resulting in the disposal of equipment with no expected future economic benefits and the recognition of impairment losses.
2. Decrease in other assets: Mainly attributable to a decrease in deferred tax assets in 2025.
3. Increase in current liabilities: Mainly due to an increase in short-term borrowings in 2025.
4. Decrease in non-current liabilities: Mainly due to early repayment of long-term bank borrowings in 2025.
5. Decrease in capital surplus: Mainly due to the use of capital surplus to offset accumulated

losses in 2025.

6. Decrease in retained earnings: Mainly due to an increase in net loss for the period in 2025.

II. If material changes in financial conditions have occurred in the past two years, future response plans should be explained: The abovementioned changes had no significant impact on the Company’s financial position or operations.

II. Analysis of Financial Performance

Explain the reasons for any material changes over the most recent 2 fiscal years in operating revenue, operating income, and income before tax. Forecast the Company's expected sales volume and provide the basis for the forecast; and describe the possible impact of such changes upon the Company's financial and business affairs, and how the Company plans to respond.

Unit: in NT$ thousand

Item \ Year	2025	2024	Increased (decreased) amount	%
Operating revenue	1,196,194	1,246,499	(50,305)	(4.04)
Operating costs	947,294	1,047,381	(100,087)	(9.56)
Gross profit	248,900	199,118	49,782	25.00
Operating expenses	196,893	196,207	686	0.35
Operating income	52,007	2,911	49,096	1,686.57
Non-operating income and expense	(101,534)	(13,474)	(88,060)	653.55
Net profit before tax	(49,527)	(10,563)	(38,964)	368.87
Income tax expense	(37,179)	(9,564)	(27,615)	288.74
Loss before tax	(86,706)	(20,127)	(66,579)	330.79
Non-operating losses	—	—	—	—
Net loss for the period	(86,706)	(20,127)	(66,579)	330.79
Net loss for the period, attributable to owners of parent	(81,194)	(41,906)	(39,288)	93.75
Net loss for the period, non-controlling interests	(5,512)	21,779	(27,291)	(125.31)

I. The main reasons for any material change (the change reaches 20 percent or greater and the sum involved amounts to NTD10,000,000) in the Company's operating income, net profit before tax, during the past 2 fiscal years, and describe the effect thereof:

1. Increase in gross profit: Mainly attributable to the Group's adjustment of its operating model and the implementation of cost-control measures across business divisions, which resulted in an increase in overall gross profit.
2. Decrease in non-operating income and expenses: Mainly due to an increase in losses from the disposal of property, plant and equipment and impairment losses on non-financial assets in 2025.
3. Increase in income tax expense: Mainly due to a reduction in the carrying amount of deferred tax assets that are not expected to be utilized in the future in 2025.
4. In summary, the net loss after tax for 2025 increased compared with the same period of the prior year.

II. The Company's expected sales volume and provide the basis for the forecast and describe the possible impact of such changes upon the Company's financial and business affairs, and how the Company plans to respond.

Based on the Company's production capacity, anticipated changes in the future economic climate, and estimated customer shipment schedules, the Company expects that the sales volume for automotive products orders will not undergo material changes. However, the Company will put efforts into adjusting or adding new product combination to generate better profits in the future.

III. Cash Flow

(I) Analyze and explain any changes over the most recent fiscal year in the Company's cash flows, describe how the Company plans to address any illiquidity problems and provide an analysis of the Company's cash liquidity for the coming fiscal year.

1. Cash flow analysis for the most recent fiscal year

Unit: in NT$ thousand

Cash and cash equivalents, beginning of year (1)	Net cash flow from operating activities (2)	Cash inflow (outflow) (3)	Cash surplus (Deficit) (1)+(2)+(3)	Leverage of cash deficit	
				Investment plans	Financing plans
359,063	32,416	(24,218)	367,261	—	—

Analysis of change in cash flow in 2025:

1.Operating activities: Net cash inflow of NT$32,416 thousand, mainly attributable to cash inflows generated from operations in 2025.
2.Investment activities: Net cash inflow of NT$23,740 thousand, mainly due to the disposal of property, plant and equipment in 2025.
3.Fund-raising activities: Net cash outflow of NT$46,956 thousand, mainly due to the repayment of bank borrowings in 2025.
4.Additionally, cash outflows of NTD1,002 thousands is used due to the impact of exchange rate changes.

2. Cash flow analysis for the coming fiscal year

Unit: in NT$ thousand

Estimated cash and cash equivalents, beginning of year (1)	Estimated net cash flow from operating activities (2)	Estimated cash inflow (3)	Cash Surplus (Deficit) (1)+(2)+(3)	Leverage of Cash Surplus (Deficit)	
				Investment plans	Financing plans
367,261	158,213	(197,148)	328,326	—	—

Cash flow analysis for the coming fiscal year:

(1)Operating activities: The net cash inflow from operating activities is NTD158,213 thousand mainly due to the expected net cash inflow from the operating performance in 2026.

(2)Investment activities: Net cash outflow of NTD3,490 thousand is mainly due to the expected cash outflow from capital expenditure in 2026.

(3)Fund-raising activities: The net cash outflow is NTD193,658 thousand, mainly due to the expected repayment of financing loans in 2026.

The corrective measures to be taken in response to the expected cash deficit and its cash flow analysis: Not applicable.

IV. The Effect upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year:

There were no major capital expenditures in 2025.

V. Investment Policy in the Most Recent Fiscal Year, Main Reasons for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

(I) Investment policy in the most recent fiscal year: The Company's main policy for investment is to increase revenue and profits.

(II) The main reasons for the profits or losses in the investments and the improvement plans: In 2025, the Company recognized investment losses of NT$20,719 thousand from subsidiaries accounted for using the equity method. These losses were mainly attributable to the Group's Metal Stamping Business Division, which continued to operate at a loss due to declining sales of Japanese joint-venture brands and a downturn in internal combustion engine vehicle sales. However, following adjustments to the Group's operating model and steel procurement strategies, the operating performance of this division has shown a significant improvement compared with the previous year. In addition, the Group's Optical Injection Business Division shifted the development focus of its lighting business from automotive applications to bicycle products. As a result, losses were incurred from the disposal of automotive lighting-related equipment and the recognition of impairment losses, which led to losses for this division in 2025. In response to rapid market changes and intensified competition, subsidiaries of the Group will continue to develop new customers and implement strict process controls to improve production efficiency and competitiveness, with the objective of achieving higher profitability. The Company will also continue to provide guidance and support to loss-making subsidiaries to accelerate loss reduction and enable certain subsidiaries to achieve profitability at an earlier stage. Furthermore, the Group will expand its investment in solar projects of various types and larger scales to strengthen revenue growth from non-automotive businesses, advance diversification objectives, reduce operating risks, and enhance the Group's overall operating performance.

(III) Investment plans for the coming year: If there are appropriate investment targets that align with business expansion, the Company will carefully evaluate and make investments. The Company is currently actively seeking another opportunity for growth and development in regions outside of China, particularly in Asia.

VI. Analysis of Risk Management as of the Publication Date of the Annual Report:

(I) Effects of changes in interest rates, foreign exchange rates and inflation on corporate finance, and future response measures

1. Effects of changes in interest rates and future response measures

The net interest expenditure of the Company in 2025 was NTD18,607 thousand, accounting for 1.56% of the net operating revenue for the same period, indicating that the impact of interest expenditure on the Company's profit and loss is not significant. Additionally, the Company will adjust capital utilization based on changes in financial interest rates in the future to reduce the impact of interest rate changes on the Company's profit and loss.

2. Effects of foreign exchange rates and future response measures

The Company's metal stamping parts are mainly sold in China, and the currency used for transactions is mainly in Chinese Yuan (CNY). However, the sales of optical injection parts are mainly quoted in US dollars and New Taiwan dollar short-term loans are mainly quoted in US dollars and New Taiwan dollar. Therefore, foreign currency assets and liabilities are offset by gains and losses arising from market exchange rate fluctuations. However, the company's foreign currency assets and foreign currency liabilities are still different, so it is exposed to foreign exchange risks. The foreign exchange losses for 2025 were NTD9,472 thousand, accounting for 0.79% of net operating revenue. Given the recent volatility in exchange rates, the Company's exchange rate policy is to consider global economic trends and future capital requirements for overseas market expansion and then decide whether to use derivative financial instruments or increase foreign currency liabilities to hedge against foreign currency fluctuations.

3. Effects of inflation and future response measures

According to the annual growth rate of the consumer price index in 2025 announced by the Directorate General of Budget, Accounting and Statistics, Executive Yuan, was 1.31%. The inflation risk is still within an acceptable range. However, due to the differences in industry characteristics, the inflation rate has no significant impact on the Company's operations. In the future, the Company will closely monitor market price fluctuations to mitigate the impact of inflation on its operations."

(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

1. High-risk investments, highly leveraged investments:

The company is mainly engaged in research and development, manufacturing and sales. As of the publication date of this annual report, the Company hasn't engaged in any high-risk or highly leveraged investments.

2. Loans to other parties, endorsements, guarantees:

All related operations have been conducted in accordance with the provisions of the "Operational Procedures for Endorsements/Guarantees", and "Operational Procedures for Loaning Funds to Others". Currently, the Company only engages in fund loans or endorsements or guarantees between parent companies and affiliated companies within the group. As of the publication date of this annual report, there are no overdue and unpaid situations. As of the publication date of the annual report, there have been no losses incurred due to the endorsement/guarantee.

3. Derivatives trading:

As of the publication date of this annual report, the company has not engaged in any derivative financial derivatives trading. The Company has formulated the "Regulations Governing the Operational Procedures for Asset Acquisition or Disposition " as a basis for future execution to ensure the Company's best interests.

(III) Future Research & Development Projects and Corresponding Budget

1. Future Research & Development

(1) Short-term project

A. Cooperating with existing automotive display customers to develop larger-sized automotive light guide plates.
B. Cooperating with existing bicycle brand clients to optimize and develop bicycle lighting systems.
C. Maintain the cooperation with bicycle brand clients and obtain new orders for the development of new headlights from them.
D. Continuously cooperate with the development of headlight samples to meet the needs of new bicycle brands, in order to obtain new orders for headlight development from them.
E. Develop LED direct-lit backlight modules.
F. Continuously improve the production process, increase production efficiency, reduce unit costs, and maintain high gross profit.
G. Improve the accuracy of CAE analysis for parts development and integrate it with mold design and development, which further increases the qualification rate of the first mold trial debugging and sampling.

H. Enhance the automation level of the processes of vertical position of welding, fusion welding and stamping, and continue to obtain relevant automation patents.
I. Conduct human factor engineering analysis on the stamping process and improve optimization, as well as enhance the automation level of the stamping machine.
J. Adding Product Lifecycle Management (PLM) to improve the precision of the mold project development schedule.
K. R&D of fusion welding process: In response to business development, the Company has obtained the parts fusion welding order from new energy automotive manufacturers. The fusion welding process has been introduced to achieve the delivery goal for final assembled components of automotive components.
L. Collect and analyze the production parameters of the stamping process for high-strength steel parts and the welding process for final assembled components and improve the production process.
M. Increase the proportion of self-developed and designed fixtures for welding automation.

(2) Mid-and long-term project

A. Continuously improve the Company's R&D capability and cultivate outstanding talents.
B. Actively introduce non-consumer electronic application products, such as those used in the automotive market by utilizing the Company's existing core competencies.
C. Continuously improve the optical efficiency of bicycle headlights, lower the power consumption and costs and enhance the Company's competitiveness.
D. Continuously reduce the height of headlight optical lenses to reduce the overall thickness of the headlights, and provide higher design flexibility for automotive exterior styling.
E. Continuously conduct research and development on the mechanism and heat dissipation of headlights to achieve the goals of size reduction and cost reduction.
F. Continuously carry out industry-academia collaboration development projects for smart headlights, in order to achieve the goal of making smart headlights affordable and widely available.
G. Participate in the research and development project of new lightweight components for new energy vehicle manufacturers, and the Company has been transforming from a simple component OEM to a major R&D partner for automotive manufacturers to meet the principles of lightweighting and improve the structural safety of car body for new energy vehicles.
H. Complete vertical integration production to ensure the development plan for supply quality from mold design, debugging, stamped parts to the finished product of welded assemblies.
I. The integration research of automated systems for the manufacturing processes, including vertical position welding, fusion welding, and stamping, with the aim of cutting down on labor costs and improve production efficiency.
J. Research and development of fusion welding and stamping process:
With the energy-saving and environmental trend of lightweighting in automobiles, the demand for high-strength steel plates has been increasing. The Company will increase the stamping of high-strength steel plates and the development on fusion welding process.
K. Research and development of hot stamping process:
To meet the trend of lightweighting in the automotive industry while maintaining the same strength, the Company will actively develop hot stamping processes to meet the development of high-strength steel plates.
L. Hot stamping mold development: The development will proceed in stages, starting from welding process technologies for high-strength steel, followed by hot stamping forming process technologies, with the ultimate objective of achieving in-house development of hot stamping molds.
M. Establish big data systems with various automated production process parameters, with the expectation of shortening production process and delivery time, reducing inventory and cutting down on the cost of losses caused by manual operations and enhancing the consistency of delivery quality.

2. Further expenditures expected for research and development work

The Company's annual investment in research and development expenses is gradually adjusted according to the new product portfolio and development progress to support future research and development plans and increase the company's competitiveness in the market.

(IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The Company conducts all business operations in accordance with the laws and regulations set forth by the governing authorities. Furthermore, in the most recent fiscal year and as of the date of this annual report, the Company’s financial or business operation have not been affected by any important policy changes in the legal environment at home and abroad. In the future, the management of the Company will keep an eye on changes in important policies and legal environment at home and abroad and consult relevant professionals if needed, and proactively propose response measures as appropriate.

(V) Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response

The Company's primary business operations involve investment holding in various automotive components and solar energy-related industries. We closely monitor developments and changes in these sectors and the broader environment, gather relevant research and survey data, and stay abreast of market trends. The Company adjusts its business strategies and product portfolio in a timely manner to ensure continued market competitiveness. In the most recent fiscal year and up to the date of this annual report, the Company has not experienced any impact on its financial condition or business operations due to technological changes or industry shifts

To implement cyber security management, the Company has adopted the following related protection measures to ensure the operation security of cyber system:

1. Computer system security management: Purchase and install legal anti-virus software, update virus definitions in a timely manner and regularly scan the computers.
2. Internet security management: The Company has taken various protection measures such as setting up firewalls, filtering malicious emails and protecting employees’ security while using the Internet. Also, always stay alert to cyber security and monitor cyber security.
3. Regularly check access permissions, user password management, off-site backup of important data, and install backup power supplies to prevent losses caused by power outages.
4. Planning for sustainable business operations: Assess the impact of employees and natural disasters on the Company's normal operation and establish emergency response measures, and information recovery procedures.
5. Cyber security education and training: Regularly advocate cyber security and hold activities such as cyber security education and training for employees. As of the most recent fiscal year and up to the publication date of this annual report, there has no serious cyberattack that would cause negative impact on the Company occurred.

(VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

The Company focuses on the R&D and business operation of this industry. The Company has been actively improving internal management, enhancing product quality and efficiency, and complying with relevant regulations and laws. Meanwhile, the Company has been maintaining an amicable labor-management relation and continuing to maintain a great corporate image. As of the publication date of this annual report, there has no event that would have a negative impact on the Company’s corporate image occurred.

(VII) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

As of the publication date of the annual report, the Company has not engaged in any merger and acquisition plan. However, if there is any merger and acquisition plan in the future, the Company will carefully evaluate and consider whether the merger and acquisition can bring tangible benefits to the Company, in order to protect shareholder rights and interests.

(VIII) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

As of the publication date of the annual report, the Company has not engaged in any factory expansion. However, should there be any plans for plant expansion in the future, such plans will be evaluated prudently in accordance with the Company's "Procedures for Acquisition or Disposal of Assets" and applicable laws and regulations, in order to effectively safeguard the interests of the Company and its shareholders.

(IX) Risks relating to and response to excessive concentration of purchasing sources and excessive customer concentration

1. Risks relating to and response to excessive concentration of purchasing sources

Most of the Company's main suppliers are reputable international steel and petrochemical manufacturers that provide us with strict automotive-grade steel plates and optical plastic materials. And the Company's ultimate suppliers are well-known international steel and petrochemical manufacturers. Therefore, the transaction price and source of supply have been steady. Moreover, these materials require certification from automotive OEMs and panel plants. As a result, the Company has no concern about supply source and the risks are under the Company's control.

2. Risks relating to and response to excessive concentration of excessive customer concentration

While selecting supplier, the OEMs and TFT-LCD panel manufacturers evaluate the supplier's capabilities in design, production capacity, product quality control, and financial stability at each stage from model development, testing, trial production to mass production. Only after careful evaluation of these factors will they choose their main suppliers. Due to the nature of the industry, it often takes a long time for automotive-related components to gain customer approval. Therefore, once the cooperation is established, customers will not easily change their suppliers to ensure product quality and stable supply. Since the Company was established, the Company has not only focused on improving product processes and research and development but has also actively developed other customer groups and products in other areas to reduce the risk of customer concentration.

In addition, following several years of research and production, the Company's lighting products have been optimized in terms of light source efficiency, power consumption, and lamp size. The Company has successfully developed patented optical architectures featuring high LED utilization efficiency and compact form factors. These technologies continue to provide bicycle brand customers with innovative lighting structures, while the Company actively seeks certification and cooperation opportunities with major bicycle manufacturers worldwide, with the expectation that these products will generate another wave of revenue growth for the Company in the future. Furthermore, in 2025, as demand from bicycle brand customers increased, shipments of bicycle lighting products were gradually expanded.

(X) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%:

As of the most recent fiscal year and up to the publication date of this annual report, there have been no transfers or changes in shareholdings the Company.

(XI) Effects of, Risks Relating to and Response to the Changes in Management Rights

As of the most recent fiscal year and up to the publication date of this annual report, the Company's management rights have not been changed.

(XII) Litigation or Non-litigation Matters: In the most recent year and as of the publication date of this Annual Report, the Company has not been involved in any material legal proceedings.

(XIII) Other major risks and measures to be taken in response: None.

VII. Other Important Matters: None.

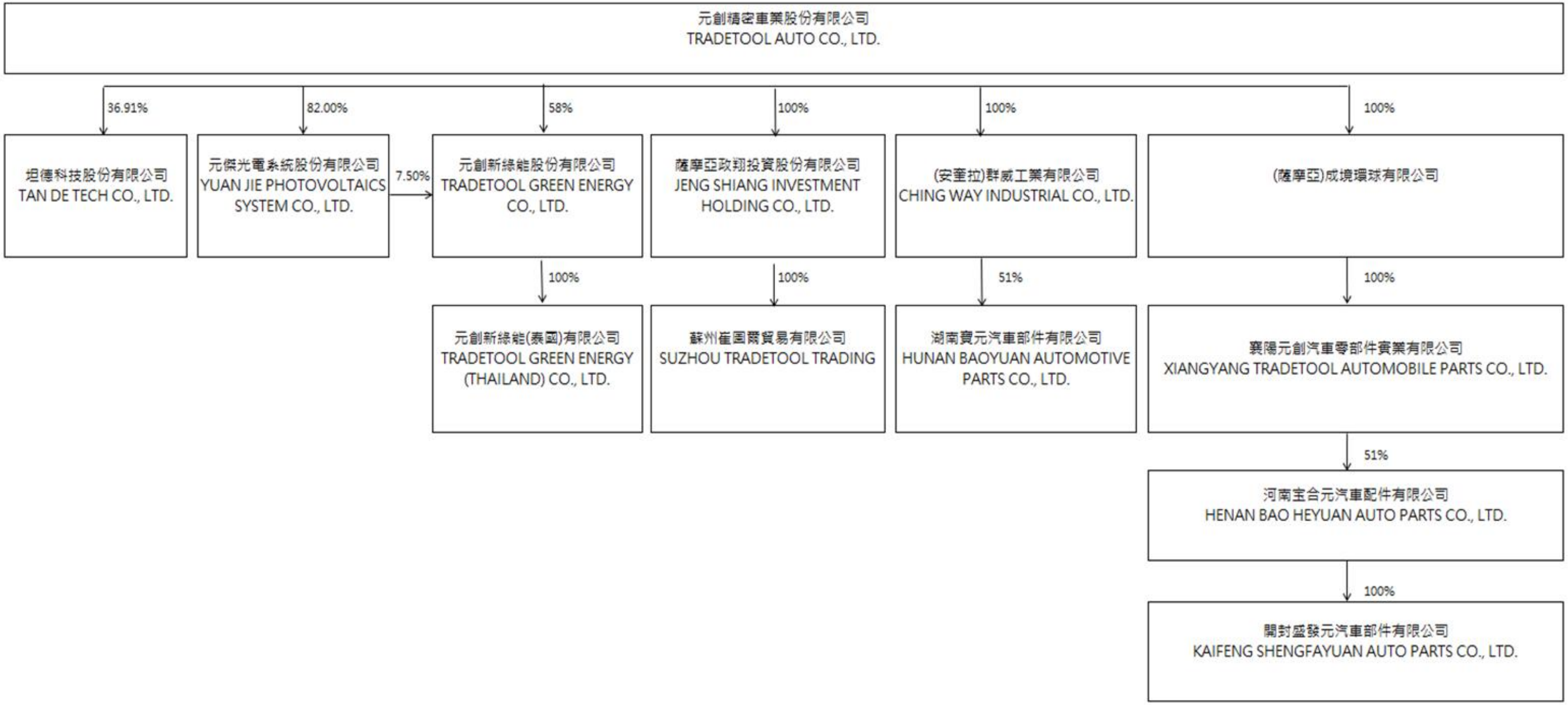
Chapter VI. Additional Information:

I. Information Related to the Company's Affiliates in the Most Recent Fiscal Year

(I) Consolidated Business Report of Affiliates

1. Organizational chart of affiliated companies

December 31, 2025



2. Summary of affiliated companies

December 31, 2025
(Unit: in thousands)

Name	Establishment date	Address	Paid-in capital	Main business content
Tan De Tech Co., Ltd. (hereinafter referred to as Tan De Tech)	February 2013	No. 8, Dougong 9th Rd., Liunan Village, Douliu City, Yunlin County, Taiwan	NTD350,000	Electronic parts and components manufacturing, wholesale of materials and product designing
Tradetool Green Energy Co., Ltd. (hereinafter referred to as Tradetool Green Energy)	March 2020	4F.-7, No. 213, Chaofu Rd., Xitun Dist., Taichung City, Taiwan	NTD31,000	Investment holding
Yuan Jie Photovoltaics System Co., Ltd. (hereinafter referred to as Yuan Jie Photovoltaics)	2017 July	2F., No. 51-2, Ln. 50, Sec. Jiulong, Zhongxing Rd., Longtan Dist., Taoyuan City, Taiwan	NTD20,000	Installation, operation, and maintenance of self-use renewable energy power generation equipment
Samoa Jeng Shiang Investment Holdings Co., Ltd. (hereinafter referred to as Jeng Shiang Samoa)	April 2005	P.O.Box 217, Apia, Samoa	USD50	Investment holding
Suzhou Tradetool Trading Co., Ltd. (hereinafter referred to as Suzhou Tradetool)	August 2016	No. 69, Wei Hsin Rd., Suzhou Industrial Park	USD50	Various electronic parts and components processing and trading
Ching Way Industrial Co., Ltd. (Anguilla) (hereinafter referred to as Ching Way Anguilla)	April 2013	P.O.Box 941, The Valley AI-2640, Anguilla	USD2,069	Investment holding
Success Horizon Global Limited (Samoa) (hereinafter referred to as Success Horizon Global)	March 2018	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD10,682	Investment holding
Xiangyang Tradetool Automobile Parts Co., Ltd. (hereinafter referred to as Xiangyang Tradetool Parts)	November 2011	No. 32, Yeh Tien Rd., Hubei Xiangyang Technology Industrial Development Park	CNY49,500	Various auto parts and components manufacturing and selling.
Hunan Baoyuan Automotive Parts Co., Ltd. (hereinafter referred to as Hunan Baoyuan)	October 2014	Hunan Liling Economic Development Zone Phase II of Innovation and Entrepreneurship Park	CNY26,000	Various auto parts and components manufacturing and selling
Henan Baoheyuan Auto Parts Co., Ltd. (hereinafter referred to as Henan Baoheyuan)	January 2018	No. 296, Zhengkai Avenue, Kaifeng Area, Henan Pilot Free Trade Zone (Production place: 200 meters west of the intersection of Longhai 2nd Road and Jiuda Street, Kaifeng City, Henan Province)	CNY80,000	Various auto parts and components manufacturing and selling

Name	Establishment date	Address	Paid-in capital	Main business content
Kaifeng Shengfayuan Auto Parts Co., Ltd. (hereinafter referred to as Kaifeng Shengfayuan)	April 2020	No. 296, Zhengkai Avenue, Kaifeng Area, Henan Pilot Free Trade Zone (Production place: 100 meters west of the intersection of Tenth Street and Longhai Second Road, Xinghuaying Town, Kaifeng City, Henan Province)	CNY32,530	Various auto parts and components selling and housing rental business
Tradetool Green Energy (Thailand) Co., Ltd.	July 2025	No. 238/7, 5th Floor, Ratchadaphisek Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310	THB22,500	Installation of self-use renewable energy power generation equipment

3. The matters should be disclosed about the affiliated companies presumed to have a relationship of control and subordination: None.

4. The industries covered by the business operated by the affiliated companies overall: Investment, light guide plate, automotive metal stamping parts and welding parts manufacturing and selling, and related molds development and selling, as well as the installation and operation and maintenance of self-use renewable energy generation systems

5.Director, supervisor, and General Manager of affiliated companies

December 31, 2025

Company name	Title	Name	Shareholding	%
Tan De Tech	Chairman	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
	Director/ General Manager	Representative of Tradetool Auto Co., Ltd.: Li, Chao-Pei	-	-
	Director	Representative of Tradetool Auto Co., Ltd.: Chang, Ming-Hung	-	-
	Director	Representative of He Shun Hsing Smart Mobile: Li,Po-Ning	(10,000 thousand shares)	28.57%
	Independent director	Shen, Cuan-Cih	-	-
	Independent director	Chen, Jin-Hua	-	-
	Independent director	Lin, Meng-Yi	-	-
			(12,918 thousand shares held by Tradetool Auto Co., Ltd.)	36.91%
Tradetool Green Energy	Chairman	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
	Director/ General Manager	Representative of Tradetool Auto Co., Ltd.: Chang, Ming-Hung	-	-
	Director	Ysg Trade Co., Ltd.	(272 thousand shares)	17.00%
	Supervisor	Wang, Cheng-Wen	-	-
			(928 thousand shares held by Tradetool Auto Co., Ltd.)	58.00%

Company name	Title	Name	Shareholding	%
Yuan Jie Photovoltaics	Chairman	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
	Director/ General Manager	Representative of Tradetool Auto Co., Ltd.: Chang, Ming-Hung	-	-
	Director	Wu, Chia-Lin	(360 thousand shares)	18.00%
	Supervisor	Wang, Cheng-Wen		
			(1,640 thousand shares held by Tradetool Auto Co., Ltd.)	82.00%
Jeng Shiang Samoa	Director	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
			(50 thousand shares held by Tradetool Auto Co., Ltd.)	100.00%
Suzhou Tradetool	Chairman/ General Manager	Representative of Jeng Shiang Samoa: Chang, Ming-Hung	-	-
	Director	Representative of Jeng Shiang Samoa: Chiang, Kai-Liang	-	-
	Director	Representative of Jeng Shiang Samoa: Liao, Yu-Siang	-	-
	Supervisor	Representative of Samoa Jeng Shiang: Wang, Cheng-Wen	-	-
			(50 thousand shares held by Jeng Shiang Samoa)	100.00%
Ching Way Anguilla	Director	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
			(2,069 thousand shares held by Tradetool Auto Co., Ltd.)	100.00%
Success Horizon Global	Director	Representative of Tradetool Auto Co., Ltd.: Chiang, Kai-Liang	-	-
			(10,682 thousand shares held by Tradetool Auto Co., Ltd.)	100.00%
Xiangyang Tradetool Parts	Chairman/ General Manager	Representative of Success Horizon Global: Chang, Ming-Hung	-	-
	Director	Representative of Success Horizon Global: Chiang, Kai-Liang	-	-
	Director	Representative of Success Horizon Global: Chen, Jheng-Jhong	-	-
	Supervisor	Representative of Success Horizon Global: Wang, Cheng-Wen	-	-
			(49,500 thousand shares held by Success Horizon Global)	100.00%

Company name	Title	Name	Shareholding	%
Hunan Baoyuan	Chairman / General Manager	Representative of Ching Way Anguilla: Chang, Ming-Hung	-	-
	Director	Representative of Ching Way Anguilla: Chiang, Kai-Liang	-	-
	Director	Representative of Shanghai Baoshan Dalu: Lu, Jian-Guo	(12,740 thousand shares)	49.00%
	Supervisor	Representative of Ching Way Anguilla: Chen, Jheng-Jhong	-	-
			(13,260 thousand shares held by Ching Way Anguilla)	51.00%
Henan Baoheyuan	Chairman / General Manager	Representative of Xiangyang Tradetool Parts.: Chang, Ming-Hung	-	-
	Director	Repbaoheresentative of Xiangyang Tradetool Parts: Chiang, Kai-Liang	-	-
	Director	Representative of Shanghai Baoshan Dalu: Lu, Jian-Guo	(39,200 thousand shares held by Shanghai Baoshan Dalu)	49.00%
	Supervisor	Representative of Shanghai Baoshan Dalu: Wu, Hai	-	-
			(40,800 thousand shares held by Xiangyang Tradetool Parts.)	51.00%
Kaifeng Shengfayuan	Director	Representative of Henan Baoheyuan: Chang, Ming-Hung	-	-
	Supervisor	Representative of Henan Baoheyuan: Geng, Jheng-Fang	-	-
			(32,530 thousand shares held by Henan Baoheyuan)	100.00%
Tradetool Green Energy (Thailand)	Director	Chiang, Kai-Liang	(900 thousand shares held by Tradetool Green Energy)	100.00%
	Director	Chang, Ming-Hung		

6. Summarized operation results of affiliated companies

December 31, 2025 Unit: NTD (USD; CNY) in thousands

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profit(loss)	Profit(loss) in the period	Earnings per share (after-tax) (NTD)
Tan De Tech	350,000	449,341	97,621	351,720	426,377	49,622	(27,407)	(0.78)
Tradetool Green Energy	31,000	29,680	220	29,460	124	(1,058)	(873)	(0.28)
Yuan Jie Photovoltaics System	20,000	149,079	119,718	29,361	190,228	11,082	8,197	4.10

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profit(loss)	Profit(loss) in the period	Earnings per share (after-tax) (NTD)
Jeng Shiang Samoa	US$50	US$146	—	US$146	—	—	US$12	Note 1
Suzhou Tradetool	CNY334	CNY1,098	CNY77	CNY1,021	CNY1,335	CNY30	CNY88	Note 1
Ching Way Anguilla	US$2,069	US$1,962	—	US$1,962	—	—	US$(65)	Note 1
Success Horizon Global	US$10,682	US$6,574	—	US$6,574	—	—	US$(438)	Note 1
Xiangyang Tradetool Parts	CNY49,500	CNY96,903	CNY50,698	CNY46,205	CNY46,152	CNY(3,324)	CNY(3,152)	Note 1
Hunan Baoyuan	CNY26,000	CNY67,296	CNY50,641	CNY16,655	CNY24,235	CNY129	CNY(263)	Note 1
Henan Baoheyuan	CNY80,000	CNY133,099	CNY53,985	CNY79,114	CNY89,992	CNY7,737	CNY5,482	Note 1
Kaifeng Shengfayuan	CNY32,530	CNY33,036	CNY422	CNY32,614	CNY1,560	CNY87	CNY82	Note 1
Tradetool Green Energy (Thailand)	THB22,500	THB22,576	THB63	THB22,513	—	THB(174)	THB130	Note 1

Note 1: The affiliated company is not a joint stock company.

(II) Consolidated Financial Statements of Affiliates

Statement

The entities that are required to be included in the consolidated statements of affiliates of Tradetool Auto Co., Ltd. as of and for the year ended December 31, 2025 (from January 1, 2025 to December 31, 2025) under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No.10 "Consolidated Financial Statements". Relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Tradetool Auto Co., Ltd. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Truly yours,

Company name: Tradetool Auto Co., Ltd.

Chairman: Chiang, Kai-Liang

Date: March 10, 2026

(III) Affiliation Report: Not applicable.

II. Has the Company Carried Out a Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Publication Date of the Annual Report:

None.

III. Other Matters that Require Additional Description:

None.

III. Are There Any of The Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Has Occurred During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Publication Date of the Annual Report:

On February 3, 2026, the Company entered into a memorandum of understanding with Guorui Green Energy Co., Ltd. to expand its green electricity business through investment, with the aim of increasing the Company’s revenue and profitability and maximizing shareholder value.

Tradetool Auto Co., Ltd.

Representative: Chiang, Kai-Liang

March 31, 2026