Stock Code：4543

MAN ZAI INDUSTRIAL CO., LTD.

2025 Annual Report

Annual report inquiry website:：**http://mops.twse.com.tw**

The URL of the company's website:：**http://www.manzai.com.tw**

Printing Date: May.4, 2026

I. Name, title, contact number and email of Spokesperson and Deputy Spokesperson:

Name of Spokesperson: Kuo Tzu Yuan
Title: Director, Finance and Accounting Department
Contact number: 06-5950771
Email address: finance@manzai.com.tw
Name of Deputy Spokesperson: Chen Chi-Cheng
Title: Technical Director
Contact number: 06-5950771
Email address: finance@manzai.com.tw

II. Address and telephone number of headquarters, branches and plants:

Headquarters: NO.260, SEC.2, ZHONGSHAN RD., GUANMIAO DIST., TAINAN CITY 718, TAIWAN (R.O.C.)
Branch: None
Plant: NO.260, SEC.2, ZHONGSHAN RD., GUANMIAO DIST., TAINAN CITY 718, TAIWAN (R.O.C.)
Tel: 06-5952614

III. Name, address, website and telephone number of stock transfer agent:

Name: Taishin Securities Co., Ltd., Stock Agency Department
Address: B1, No. 96, Sec. 1, Jianguo N. Rd., Taipei City
Website: http://www.tssco.com.tw
Tel: (02) 2504-8125

IV. Name, firm name address, website, and telephone number of CPAs for the most recent financial reports:

CPA firm: Ernst & Young
Name of CPAs: Yao Shih-Chieh, Hung Kuo-Sen
Address: 11F, No. 189, Section 1, Yongfu Road, Tainan City
Website: http://www.ey.com/tw/en_tw
Tel: (06) 292-5888

V. Name of any exchange where the Company's securities are traded overseas, and the method by which to access information on overseas securities: None.

VI. Company website: http://www.manzai.com.tw

Contents

I. Report to Shareholders

Dear shareholders,

Thank you for attending the Shareholders' Meeting and your support and encouragement to the Company.
The Company's 2025 business results and a summary of the business plan for 2026 are reported as follows:

I. 2025 business results

(I) Business plan implementation outcomes

The Company's 2025 net revenues totaled NTD 802,544 thousand, net profits before tax totaled NTD 45,151 thousand, net profits after tax totaled NTD 31,646 thousand, or after-tax earnings per common share was NTD 0.53. The Company's 2025 net revenue increased by NTD 10,501 thousand from 2024, primarily driven by sustained sales momentum in the North American market, this indicates that our market expansion strategy is yielding positive results. However, it was driven by a changes in the salse portfolio, resulting in a decrease in 2025 revenue and net profit for the current period.

(II) Budget execution

As the Company did not publish financial forecasts in 2025, it is not applicable.

(III) Profitability and financial analysis revenues and expenditures

The Company's 2025 gross profit was NTD 175,426 thousand, with a gross margin of 22%; operating profit totaled NTD 46,229 thousand, with an operating margin of 6%; and an after-tax profit totaled NTD 31,646 thousand, reprenting a net profit margin of 4%; earnings per common share was NTD 0.53.
The Company's 2025 net cash inflow from operating activities totaled NTD 81,718 thousand; net cash inflow from investing activities totaled NTD 1,036 thousand, The net cash outflow from financing activities totaled NTD 140,571 thousand, mainly due to repay the loans; the effect of exchange rate changes on cash and cash equivalent totaled NTD 6,178 thousand. In summary, the Company had a net cash outflow of NTD 51,639 thousand in 2025.

(IV) Research and development status

In response to global environmental regulations and the trends of energy saving, carbon reduction, and lightweight development, our company continues to invest in R&D resources. We are dedicated to the deepened application of lightweight, modular, and commonized design, while focusing on enhancing material precision and optimizing product structure to boost product competitiveness and manufacturing efficiency.

Regarding core technology development, the Company continues to refine its heat exchange core technologies, actively developing high-performance cooling modules for ESG-related industries. The Company also expands electromechanical integrated heat exchange module solutions to enhance product value-added and application scope. Simultaneously, in response to the rapid growth of the new energy vehicle (NEV) market, we continuously invest in the research and development of heat exchange modules for new energy vehicles to meet the development needs of electrified and intelligent vehicles.

(V) The influence of the external competitive environment, regulatory environment and general business environment on the Company

In 2026, the global economy continues to be impacted by geopolitical tensions and the policy directions of major economies, leaving the overall economic outlook highly uncertain. Furthermore, amid rising protectionism and unclear tariff measures, global supply chain operations and cost structures are under pressure. Meanwhile, driven by wars and regional conflicts, volatile international oil prices are further driving up raw material and transportation costs, impacting production costs within the automotive components industry.

To address the aforementioned challenges, the Company continues to strengthen its core competitiveness by increasing R&D investment, adopting intelligent manufacturing technologies, and promoting modular and standardized product design, as well as optimizing production process management. These measures effectively shorten production cycles, reduce human errors, and enhance product quality. Meanwhile, by improving production efficiency and resource utilization, we aim to achieve cost control goals, respond to international trade volatility and production capacity fluctuations, and further enhance our overall operational flexibility and market competitive advantage.

In addition, in view of the continuous promotion of environmental laws and regulations by governments worldwide, the Company is actively aligning with these requirements by preparing ESG reports and greenhouse gas inventory reports, in order to anticipate future trends and opportunities for overall market growth.

II. Summary of the 2026 business plan

(I) Business policy

1. Leverage Manzai core technologies to develop energy-efficient cooling products and capture new AI markets.
2. Develop new models using modular technology to increase sales of high-margin products.
3. Transform from a component supplier into a system integration solution provider to enhance customer satisfaction.

(II) Important production and sales policy

1. Apply product tiering strategy to serve different market segments and increase market share.
2. Develop a brand-driven strategy for niche customer segments to elevate brand value and enhance market visibility.
3. Continue promoting shorter production cycles, process integration, and automation to improve efficiency and product quality.

(III) Expected sales volume and basis

With reference to the global economic forecast and relevant market information, it is expected that the sales volume in 2026 will be similar to that in 2025.

III. Future development strategies of the Company

The Company has always adhered to the concept of corporate sustainability and made use of the core capabilities of thermal management and aluminum alloy material technology to provide thermal solution design and integration services. Moreover, the Company has continued to deepen its efforts in the automotive and electric vehicle application markets while expanding its products into electronics, communication/network, and other thermal applications, hoping to continue to create future growth momentum, creating maximum value for shareholders, customers, employees and the general public.

Best regards

Good health and all the best to all shareholders

Chairman: Wan Cheng-Chien

II. Corporate Governance Report

I、Information on the company's directors, general manager, vice general managers, assistant managers, and the supervisors of all the company's divisions and branch units：

(I) Directors’ Information：

1. Directors

March. 27, 2026

Job title	Nationality or place of registration	Name	Gender Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%			Job title	Name	Relationship	
Chairman	R.O.C	Representative: Wan Cheng-Chien	Male 61-70	May. 23, 2025	3 years	Jun. 7, 2013	-	0.00%	1,750,000	2.93%	2,920,734	4.89%	-	-	MBA Columbia University Department of Law, National Taiwan University	Chairman, Man Zai Industrial Co., Ltd. Director, XIAMEN MAN ZAI INDUSTRIES CO., LTD.	-	-	-	(Note 1)
		GUANGZHAO INVESTMENT CO.,LTD.					3,197,361	5.61%	3,328,879	5.57%	-	-	-	-						
Director	R.O.C	Fang Chuang, Hsiu-Shu	Female 61-70	May. 23, 2025	3 years	Sep.11, 2012	588,000	1.03%	598,050	1.00%	-	-	-	-	The accounting department of Tainan High School of Business Graduated from the National Air University	Head of Fang Chuang Hsiu-Shu Accounting Firm	-	-	-	
Director	R.O.C	Hwang, Chen-An	Male 71-80	May. 23, 2025	3 years	Sep.11, 2012	235,200	0.41%	191,310	0.32%	-	-	-	-	College of Law, National Taiwan University Chang An Law Firm Lawyer	QST INTERNATIONAL CORP Independent Director	-	-	-	
Independent Director	R.O.C	Chen, Chih-Chang	Male 51-60	May. 23, 2025	3 years	Jul. 23, 2021	-	-	-	-	-	-	-	-	National Yunlin University of Science and Technology with a Doctoral Degree in Business Administration Master of Public Administration, Eastern Washington University Head of Department of Business Administration, Taiwan Shoufu University Director,Bothhand Enterprise Inc.	Director, Tiso Technologies Co., Ltd. Independent Director, Tsang Yow Industrial Company Limited Independent Director, Aeon Motor Co., Ltd. Independent Director, LI Kang Biomedical Co., Ltd.	-	-	-	

Job title	Nationality or place of registration	Name	Gender Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%			Job title	Name	Relationship	
Independent Director	R.O.C	Chen,Yao-Tsung	Male 61-70	May. 23, 2025	3 years	May. 23, 2025	-	-	-	-	-	-	-	-	Ph.D., Accounting, Syracuse University (USA) Master of Business Administration, Drexel University Business School, Philadelphia, Pennsylvania, USA Associate Professor, Department of Accounting, National Cheng Kung University Professor, Department of Accounting, National Taiwan University Independent Director, General Interface Solution (GIS) Holding Limited Independent Director, JCD Optical (Cayman) Co., Ltd.	Nember of the Professional Liability Appraisal Committee and the Business Appraisal Committee of the Chinese Institute of Certified Public Accountants	-	-	-	(Note 2)
Independent Director	R.O.C	Chen, Jia-Lin	Male 61-70	May. 23, 2025	3 years	May. 23, 2025	-	-	-	-	-	-	-	-	Ph.D. in Electrical and Computer Engineering, State University of New York M.S. in Electrical and Computer Engineering, State University of New York, USA Associate Professor, Department of Information Engineering, Chung Hua University Professor, Institute of Advanced Database Management, Chung Hua University	Executive Director of Products at Wistron NeWeb Corporation	-	-	-	(Note 3)
Independent Director	R.O.C	Huang, Ya-Ping	Female 61-70	May. 23, 2025	3 years	May. 23, 2025	-	-	-	-	-	-	-	-	Department of Law, National Taiwan University	Lawyer, Law Firm of Huang, Cheng-Yen & Huang, YA-Ping President of the Tainan branch of Legal Aid Foundation Independent Director, EMINENT LUGGAGE CORPORATION.	-	-	-	(Note 4)

Note 1: Where the company's chairman and the general manager, or a person of an equivalent post (the highest level officer) of a company are the same person, spouses, or first-degree relatives, an explanation shall be given of the reason for reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., method of increasing the number of independent directors with a majority of the directors not serving as an employee or officer): Considering that Chairman Wan Cheng-Chien has profound industrial professionalism and management ability, his insight is highly relied on to lead the future direction of the Company. In order to make more direct and quick judgments and execution, the chairman and the general manager are the same person. We have also added one independent director and more than half of the directors do not serve as employees or managers concurrently to improve the independence and objectivity of the Company as a whole.

Note 2-4: Elected on May 23,2025.

II. Major Shareholders of Corporate Shareholders

March 27, 2026

Corporate Shareholders(Note 1)	Major Shareholders of Corporate Shareholders ((Note 2)
GUANGZHAO INVESTMENT CO.,LTD.	CHIEN,TZU-HSUN (78.79%)、CHIEN,SU-YUN (6.06%)、CHIEN,TSENG-KUANG (6.06%)、CHENG,CHANG-CHING (3.03%)、WAN,I-HSUAN (6.06%)

Note 1: If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate shareholder’s major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete the form below.

III. Any Major Shareholder is a Corporate/Juristic Person: None。

IV. Disclosure of information regarding the professional qualifications and experience of directors and the independence of independent directors:：

(I) Professional qualifications and experience of directors

Name	Professional qualifications and experience
Chairman: Wan, Cheng-Chien	Graduated from Columbia University with a master’s degree in business administration; currently the chairman of the Company; has more than five years of work experience in commerce, finance, and expertise required by the Company's business; possesses the ability in professional leadership, marketing, operation management and strategic planning to lead the Company to become a leader in the industry and to move towards sustainable operations.
Director: Fang Chuang, Hsiu-Shu	Graduated from the accounting department of Tainan High School of Business; currently the head of Fang Chuang Hsiu-Shu Accounting Firm; has more than five years of work experience in commerce, finance, and expertise required by the Company's business; possesses extensive experience in financial and accounting affairs, and specializes in business management and corporate governance.
Director: Hwang, Chen-An	Graduated from the Department of Law, National Taiwan University; current lawyer at Chang An Law Firm; has more than five years of work experience in commerce, law, finance, and expertise required by the Company's business; specializes in the legal field and provides companies with legal professional consultation.
Independent Director: Chen, Chih-Chang	Graduated from National Yunlin University of Science and Technology with a Doctoral Degree in Business Administration; current Director of Tiso Technologies Co., Ltd., Independent Director of Tsang Yow Industrial Company Limited, Independent Director of Aeon Motor Co., Ltd., Independent Director of LI Kang Biomedical Co., Ltd.; has more than five years of experience in commerce, finance, and expertise required by the Company's business; specializes in corporate management and corporate governance.
Independent Director: Chen ,Yao-Tsung	Graduated from Ph.D., Accounting, Syracuse University (USA); a member of the Company’s Remuneration Committee; Associate Professor, Department of Accounting, National Cheng Kung University Professor, Department of Accounting, National Taiwan University Independent Director, Member of the Professional Liability Appraisal Committee and the Business Appraisal Committee of the Chinese Institute of Certified Public Accountants, General Interface Solution (GIS) Holding Limited Independent irector, JCD Optical (Cayman) Co., Ltd. has more than five years of xperience in commerce, finance, and expertise required by the Company's business; specializes in corporate management and corporate governance.
Independent Director: Chen, Jia-Lin	Graduated from Ph.D. in Electrical and Computer Engineering, State University of New York; a member of the Company’s Remuneration Committee, Professor, Institute of Advanced Database Management, Chung Hua University, Executive Director of Products at Wistron NeWeb orporation, has more than five years of experience in commerce, finance, and expertise required by the Company's business, specializes in industry, business management and corporate governance.
Independent Director: Huang, Ya-Ping	Graduated from Department of Law, National Taiwan University, a member of the Company’s Remuneration Committee, Lawyer, Law Firm of Huang, Cheng-Yen & Huang, YA-Ping,President of the Tainan branch of Legal Aid Foundation Independent Director, EMINENT LUGGAGE CORPORATION.; has more than five years of experience in commerce, finance, and expertise required by the Company's business; has extensive legal knowledge and practical legal experience.

(II) Information on Directors Independence

Criteria Name	Independence analysis	Number of other public companies at which the person concurrently serves as an indenpent director
Chairman:Wan Cheng-Chien	Has not been subject to any conditions defined in Article 30 of the Company Act.	0
Director: Fang Chuang, Hsiu-Shu	Has not been subject to any conditions defined in Article 30 of the Company Act.	0
Director: Hwang, Chen-An	Has not been subject to any conditions defined in Article 30 of the Company Act.	1
Independent Director: Chen, Chih-Chang	Each member has met each of the following criteria during the two years prior to appointment and throughout his or her term of office: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in (2) or (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, Paragraph 1 or 2 of the Company Act (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director, supervisor, or employee of that other company or institution (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company).	3
Independent Director: Chen ,Yao-Tsung		0
Independent Director: Chen, Jia-Lin		0
Independent Director: Huang, Ya-Ping		1

Criteria Name	Independence analysis	Number of other public companies at which the person concurrently serves as an indenpent director
	(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation. However, members of the Remuneration Committee, the Acquisitions Committee, or Mergers Committee who perform their duties and responsibilities in accordance with the relevant provision of the Securities and Exchange Act or the Business Mergers and Acquisitions Act are not subject to this limitation. (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company. (11) Has not been a person of any conditions defined in Article 30 of the Company Act. (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	

V. Diversity and Independence of the Board of Directors：

According to Article 20 of the formulated corporate governance code of practice, the board of directors should strengthen the functions of the board of directors by the policy of diversification.

Members of the board of directors should generally have the knowledge, skills and accomplishments necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the capabilities that the board of directors should have as a whole include:

I. Operational judgment

II. Accounting and Financial analysis

III. Management administration

IV. Crisis management

V. Knowledge of the industry

VI. International market perspective

VII. Leadership skills

VIII. Decision-making skills

The Company's Board of Directors consists of 7 directors, including 4 independent directors. The proportion of directors with employee status is 14%, and the proportion of independent directors is 57%. The Company also pays attention to gender equality in the composition of the Board of Directors, and the proportion of female directors is 29%. Their qualifications meet the equirements of the law for independent directors, and they are familiar with the Company's finances and operations. The implementation is as follows:

Name	**Job title**	**Nationality or place of registration**	**Gender**	**Age**			**Seniority as an independent director**			**Has employee identity**	**Ability of the Board of Directors as a whole**							
				51-60years old	**61-70years old**	**71-80years old**	**3 years and below**	**3-9 years**	**9 years and above**		**Finance**	**Electronic Technology**	**Manufacturing**	**Business Accounting**	**Law**	**Information Technology**	**Marketing Management**	**Risk Management**
Wan Cheng-Chien	Chairman	R.O.C	Male		V					V	V	V	V	V	V	V	V	V
Fang Chuang, Hsiu-Shu	Director	R.O.C	Female		V						V			V			V	V
Hwang, Chen-An	Director	R.O.C	Male			V					V				V		V	V
Chen, Yung-Chih	Independent Director	R.O.C	Male	V				V			V	V				V	V	V
Chen ,Yao-Tsung	Independent Director	R.O.C	Male		V		V				V			V		V	V	V
Chen, Jia-Lin	Independent Director	R.O.C	Male		V		V					V	V			V	V	V
Huang, Ya-Ping	Independent Director	R.O.C	Female	V			V				V				V		V	V

VI. The specific management objectives and status of implementation of its board of directors' diversity policy are as follows:

Management Objectives	Status
Directors concurrently serving as company officers shall not exceed one third of the total number of the board members	Achieved
At least one female board member	Achieved
Independent Directors do not exceed 3 terms of office	Achieved

(II) The general manager, vice general managers, assistant managers, and the chiefs of all the company's divisions and branch units

March 27, 2026

Job title	Nationality	Name	Gender	Date of appointment to position	No. of shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in any other company	Managerial officers with which the person has a relationship of spouse or relative within the second degree			Remarks(Note)
					No. of shares	%	No. of shares	%	No. of shares	%			Job title	Name	Relationship	
General Manager	R.O.C	Wan Cheng-Chien	Male	101.9.11	1,750,000	2.93%	2,920,734	4.89%	-	–	Columbia University with a master 's degree in business administration Department of Law National Taiwan University President, Man Zai Industrial	Director, XIAMEN MAN ZAI INDUSTRIES CO., LTD.				(Note1)
Technical Director	R.O.C	Chen, Chi-Cheng	Male	104.4.29	30,000	0.05%	-	-	-	–	Chin-Yi Institute of Technology, Department of Mechanical Engineering. Manufacturing Manager of Man Zai Industrial.	President, XIAMEN MAN ZAI INDUSTRIES CO., LTD.	-	-	-	
Senior Manager of Manufacturing Department	R.O.C	Su, Chun-Hsien	Male	111.3.21	4,300	0.01%	-	–	–	–	Department of Physics, National Cheng Kung University. Engineer at Chimei Innolux. Corporation. Engineer at Gloria Material Technology Corp. Production Manager, Man Zai Industrial	-	-	-	-	
Director of Financial and Accounting Division Corporate Governance Officer	R.O.C	Kuo Tzu-Yuan	Female	101.9.11 112.05.08	43,990	0.07%	-	–	–	–	Department of Accounting, Tunghai University. Team leader at Ernst & Young. Section manager at Fu Chun Shin Machinery Manufacture Co., Ltd. Finance Manager of Man Zai Industrial	-	-	-	-	

Note 1: Where the general manager or person of an equivalent post (the highest level officer) of a company is the same person as the chairman of the Board of Directors, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures (such as adding more independent directors and having more than half of the directors who are neither employees nor officers) adopted in response thereto.

Considering that Chairman Wan Cheng-Chien has profound industrial professionalism and management ability, his insight is highly relied on to lead the future direction of the Company. In order to make more direct and quick judgments and execution, the chairman and the general manager are the same person. We have also added one independent director and more than half of the directors do not serve as employees or managers concurrently to improve the independence and objectivity of the Company as a whole.

II、Remuneration paid during the most recent fiscal year to directors, the general manager, and vice general managers

(I) Remuneration to directors and independent directors

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 1)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 1)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	GUANGZHAO INVESTMENT CO.,LTD.	－	－	－	－	600	600	－	－	1.90%	1.90%	－	－	－	－	－	－	－	－	1.90%	1.90%	無
	Legal Representative: Wan Cheng-Chien	－	－	－	－	－	－	60	60	0.19%	0.19%	5,323	5,323	－	－	600	－	600	－	18.91%	18.91%	無
Director	Chien Tzu-Hsun(Note 2)	－	－	－	－	－	－	24	24	0.08%	0.08%	1,060	1,060	－	－	50	－	50	－	3.58%	3.58%	無
Director	Fang Chuang, Hsiu-Shu	－	－	－	－	600	600	60	60	2.09%	2.09%	－	－	－	－	－	－	－	－	2.09%	2.09%	無
Director	Hwang, Chen-An	－	－	－	－	600	600	60	60	2.09%	2.09%	－	－	－	－	－	－	－	－	2.09%	2.09%	無
Independent Director	Chen, Yung-Chih(Note 3)	250	250	－	－	－	－	27	27	0.88%	0.88%	－	－	－	－	－	－	－	－	0.88%	0.88%	無
Independent Director	Tan, An-Hung(Note 4)	250	250	－	－	－	－	30	30	0.88%	0.88%	－	－	－	－	－	－	－	－	0.88%	0.88%	無
Independent Director	Chen, Chih-Chang	600	600	－	－	－	－	60	60	2.09%	2.09%	－	－	－	－	－	－	－	－	2.09%	2.09%	無
Independent Director	Chen ,Yao-Tsung (Note 5)	350	350	－	－	－	－	36	36	1.22%	1.22%	－	－	－	－	－	－	－	－	1.22%	1.22%	無
Independent Director	Chen, Jia-Lin (Note 6)	350	350	－	－	－	－	42	42	1.24%	1.24%	－	－	－	－	－	－	－	－	1.24%	1.24%	無
Independent Director	Huang, Ya-ping(Note7)	350	350	－	－	－	－	36	36	1.22%	1.22%	－	－	－	－	－	－	－	－	1.22%	1.22%	無

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Based on their responsibilities, independent directors perform business independently and participate in corporate governance. Within the interval of the resolutions of the Board of Directors, remunerations to independent directors are paid on a monthly basis according to their participation in and contribution to the Company's operations and by referring to the industry standard.
2. Aside from the remuneration disclosed in the above table, is there any other remuneration received by directors in the most recent year from any company included in the financial statements for their services rendered (such as serving as an advisor other than an employee) :：None。

Note 1: If the motion for appropriation of earnings in the most recent year has been approved by the Board of Directors but has not yet approved by the shareholders' meeting, refer to the amount of employee remuneration approved by the Board of Directors' motion for appropriation of earnings appropriation for the most recent year. If it is impossible to estimate, the proposed allotment for this year will be calculated in proportion to last year's actual allotment.

Note 2-4: Elected on May 23, 2025.;Note 5-7: Retired on May 23, 2025.

(II) Remuneration to Supervisors in the most recent year: The Company has established the Audit Committee in place of supervisors.

(III) Remuneration to the General Manager and Vice General Manager

Unit: NT$1,000

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note 1)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Wan Cheng-Chien	4,800	4,800	-	-	583	583	600	-	600	-	18.91%	18.91%	None

Note1: If the amount of employee remuneration in the latest year cannot be estimated, the proposed amount of compensation for this year will be calculated according to the proportion of the actual amount allocated last year。

(IV) Compensation to the top five highest-paid executives

Unit: NT$1,000

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note 1)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Wan, Cheng-Chien	8,491	8,491	-	-	1,938	1,938	970	-	970	-	36.02%	36.02%	None
Technical Director	Chen, Chi-Cheng													
Manager	Su, Chun-Hsien													
Manager	Chen Ya-Hui													
Assistant Manager	Wan, Yi-Hsuan													

Note1: If the amount of employee remuneration in the latest year cannot be estimated, the proposed amount of compensation for this year will be calculated according to the proportion of the actual amount allocated last year。

(V) Names and Distributions of Employee profit-sharing compensation to Managerial officers

March 27, 2026 Unit: NT$1,000

	Job title（Note 1）	Name (Note 1)	Amount in stock	Amount in cash	Total (Note 2)	As a % of net profit
Managers	General Manager	Wan Cheng-Chien	-	1，000	1，000	3.16%
	Special Assistant to the Chairman	Chien Tzu-Hsun				
	Technical Director	Chen Chi-Cheng				
	Director of the Financial Accounting Division	Kuo Tzu-Yuan				
	Senior Manager of President’s Office	Chen Ya-Hui				

	Senior Manager of Manufacturing Department	Su Chun- Hsien				

Note1：It is to disclose individual names and titles, and to disclose the distribution of earnings in a summary manner。

Note2：If the latest annual earnings distribution proposal has been approved by the board of directors and has not yet been resolved by the shareholders' meeting, the amount of employee remuneration approved by the board of directors for the proposed distribution of the manager's latest annual earnings is to be filled in.

(VI) Separately compare and describe total remuneration, as a percentage of net income stated in the company financial reports or individual financial reports, as paid by this company and by each other company included in the financial statements during the past 2 fiscal years to directors, supervisors, general manager, and vice general manager, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(I) The total remuneration, as a percentage of net income stated in the company financial reports or individual financial reports, paid during the past 2 fiscal years to directors, supervisors, general manager, and vice general manager

Job title	2024		2025	
	The Company	All consolidated entities	The Company	All consolidated entities
Total remuneration to directors	10.72%	10.72%	36.10%	36.10%
Total remuneration to supervisors	-	-	-	-
Total remuneration to the general manager and vice general manager	5.15%	5.15%	18.91%	18.91%

(II) Directors and Supervisors

Among the remunerations to directors and supervisors, the remuneration distributed from earnings is clearly defined in the Company's Articles of Incorporation and is paid after the resolution of the Board of Directors and in accordance with the Company's Articles of Incorporation

(III) General manager and Vice general manager

The remuneration to the general manager and deputy general manager, including salary and bonus, is determined based on the position and the responsibilities assumed, the contribution to the Company, and by referring to the industry standard. The standards for the distribution of employee remuneration are in accordance with the Company's Articles of Incorporation, which will be distributed after the resolution of the Board of Directors.

(IV) Policies, standards and combinations of remuneration, procedures for remuneration, and relevance to business performance and future risks:

The remuneration of the Company's directors, supervisors, general manager, and vice general manager is determined by considering operational performance, the risk of future fluctuations in the industrial economy, and the operational, transaction, and property risks that the Company may face in the future. Therefore, the future risk to the Company's operating performance should be limited.

A. Remuneration policy, standard, and package

(a). The compensation to directors was paid in accordance with the article 16 of the Company’s Articles of Incorporation. Regardless of the Company's operating profit or loss, the Board of Directors is authorized to determine the remuneration to the directors based on the degree of participation in and contribution to the Company's operations, and with reference to the general standards of the industry. If there is profit in the annual final accounts, no more than 5% of the profit shall be appropriated as remuneration to directors. The Remuneration Committee will refer to the “board (functional committee) performance evaluation regulations” and consider the involvement and contribution to the company operation, the contribution to the company performance, the future risk, and the usual level of the same industry to provide reasonable compensation.

(b). The remuneration structures to managers can be classified into two types: fixed salaries and variable salaries. Fixed salaries are paid in accordance with the “employee salary management regulation” as monthly salary, bonus for three and surplus bonus. The variable salaries are paid in accordance with the “employees’ salary and performance evaluation regulation” as compensations, bonus, and allowance. In addition, if the company makes a profit that year, it will allocate 1%~5% as employee remuneration in accordance with Article 20 of the Company’s Articles of Incorporation.

(c). The compensation paid by the Company, according to the Organization Regulations for Remuneration Committee, includes cash remuneration, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures, which is consistent with the scope of the compensation for directors and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

B. Procedure for Deciding Remuneration

(a). The Company has formulated the Rules of Performance Evaluation of the Board of Directors and Performance Appraisal Rules applicable to managements and employees as the basis for performance evaluation and appraisal and as a reference for determining reasonable allocation of remuneration, which is also linked to the Company’s operating performance. The evaluation criteria used to measure the chairman include the company's annual operating indicator results related to operations, governance and financial results. The performance measurement and evaluation scope of the general manager includes: operational safety management, supervising the execution of financial plans, revenue management, promoting the autonomy of maintenance capabilities, strengthening internal control, implementing quality assurance and management and other performance related to major work responsibilities and target.

(b). Compensation paid to Directors and the remuneration for employees and incentive bonus paid to managements are determined according to the results of performance evaluation. The reasonableness of performance appraisal and remuneration is reviewed by both the Remuneration Committee and the Board of Directors on an annual basis. In addition to considering the usual level of the same industry and the history operation performance of the company, the payment standards, structures, and systems will be adjusted anytime according to the actual operating conditions and changes in relevant laws and regulations. In addition, after comprehensively considering the current trends in corporate governance, reasonable remuneration will be provided to achieve a balance between the company's sustainable operations and risk control. The remuneration of directors and managers of the Company for 2025 are discussed and resolved by the Remuneration Committee before being submitted to the Board of Directors for approval.

C. Connection with business performance and future risk

(a). Review of payment standards and system will mainly consider the Company's overall business situation, and payments will be made based on performance goal attainment and contribution, thereby enhancing the overall performance of the Board of Directors and managerial department. We also reference the industry’s remuneration standards to ensure that remuneration to managers is competitive in the industry, in order to retain outstanding managerial talent.

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

III. Corporate governance

(I) Operation of the Board of Directors:

(1) The Board of Directors held 5 meetings in the most recent year (2025), and the attendance of directors is as follows:

Job title	Name	Actual attendance rate	Number of attendance by proxy	Actual attendance rate (%)	Remarks
Chairman	Guangzhao Investment. Co., Ltd. Legal Representative: Wan, Cheng-Chien	5	0	100%	Re-elected
Director	Chien Tzu-Hsun	2	0	100%	Retired
Director	Huang, Chen-An	5	0	100%	Re-elected
Director	Fang Chuang, Hsiu-Shu	5	0	100%	Re-elected
Independent Director	Chen, Chih-Chang	5	0	100%	Re-elected
Independent Director	Chen, Yung-Chih	2	0	100%	Retired
Independent Director	Tan, An-Hung	2	0	100%	Retired
Independent Director	Chen, Yao-Tsung	3	0	100%	Newly Elected
Independent Director	Chen, Jia- Lin	3	0	100%	Newly Elected
Independent Director	Huang, Ya-Ping	3	0	100%	Newly Elected

Note: The Company conducted a full re-election of its Board of Directors at the Annual General Meeting on May 23, 2025. The Board held 2 meetings prior to the re-election and 3 meetings thereafter.

Other information to be disclosed:

I. In case of any of the following circumstances in the operation of the Board of Directors, the date and session of the board meeting, the content of the motions, the opinions of all the independent directors, and the Company's handling of the opinions of the independent directors shall be stated:

(I) Resolutions of the board of directors as stated in Article 14-3 of the Securities and Exchange Act: As the Company has established an Audit Committee, it is not applicable. For related information, please refer to the operation of the Audit Committee, Related matters in Article 14-5 of the Securities and Exchange Act.

(II) Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: None.

II. Recusal of the directors from motions involving their interest, specify the names of the directors, the content of the motions, the reason for recusal, and the participation in voting:

Board of Directors			Content of motion	Reason for recusal and participation in voting
15th term	1st meeting	May 23, 2025	Appointment of Remuneration Committee Members	Except for directors who abstained from discussion and voting in accordance with applicable laws and regulations, the chairperson consulted the remaining attending directors, and the proposal was approved without objection.
15th term	3rd meeting	November 07, 2025	The Company's remuneration to directors and managers for 2026.	Except for directors who abstained from discussion and voting in accordance with applicable laws and regulations, the proposal was approved as presented after the acting chairperson, Hwang Chen-An, consulted the other attending directors and received no objections.
			Proposal to Designate an Independent Director as the Signatory for Internal Audit Reports	Except for directors who abstained from discussion and voting in accordance with applicable laws and regulations, the chairperson consulted the remaining attending directors, and the proposal was approved without objection.

III. The objective of strengthening the functions of the board of directors in the current year and the most recent year, and the evaluation of its I mplementation:

1. Director Training:
The Company provides annual training for directors to strengthen their professional competence and corporate governance. In FY114, all directors completed a total of 66 training hours.
2. Board Effectiveness and Performance Evaluation:
The Company has established the “Regulations and Procedures for Board Performance Evaluation.” A performance evaluation is conducted on a regular annual basis, and the results are disclosed on the Company’s website.
3. Directors and Officers Liability Insurance：
To ensure that the risks assumed by directors and managers in the course of performing their duties are properly covered, the Company purchases Directors and Officers Liability Insurance (D&O Insurance) for its directors and managers on an annual basis. The insurance policy details are reported to the Board of Directors, and the insured limits and coverage are maintained at levels appropriate to the Company’s needs.

4. Enhancing Information Transparency:
The Company discloses its financial and business information in accordance with relevant laws and regulations on the Market Observation Post System (MOPS) and the Company's website, enabling investors and the general public to access information in a timely manner.

Note 1: (I) If any director resigns before the end of the year, the date of resignation should be indicated in the remarks column. The percentage of actual attendance (%) is calculated based on the number board meetings held during the term of office of a director and the number of actual attendance.

(II) Before the end of the year, if there is a re-election of directors or supervisors, the new and old directors and supervisors shall be indicated, and whether the director or supervisor is old, new, or re-elected and the re-election date shall be indicated in the remarks column. The percentage of actual attendance (%) is calculated based on the number board meetings held during the term of office of a director and the number of actual attendance.

(II) Implementation of the evaluation of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	From January 1 to December 31, 2025	Evaluation of the Board of Directors, individual directors, the Remuneration Committee and the Audit Committee	Self-evaluation of the Board of Directors and self-evaluation of the board members	The measurement items of the performance evaluation of the Board of Directors shall include at least the following five major aspects： 1. Participation in the Company's operations 2. Improvement of the decision-making quality of the Board of Directors 3. Composition and structure of the Board of Directors 4. Appointment and continuous education of directors 5. Internal control The measurement items of individual board member's performance evaluation shall include the following six major aspects: 1.Alignment of the Company's goals and missions 2. Awareness of duties of directors 3.Participation in the Company's operations 4.Management and communication of internal relations 5.Professionalism and continuous education of directors 6. Internal control The measurement items of the performance evaluation of the Remuneration Committee shall include at least the following four major aspects: 1.Participation in the Company's operations 2.Awareness of duties of functional committees 3.Decision-making quality of functional committees 4.Composition and member appointment of functional committees The measurement items of the performance evaluation of the Audit Committee shall include at least the following five major aspects: 1.Participation in the Company's operations 2.Awareness of duties of functional committees 3.Decision-making quality of functional committees 4.Composition and member appointment of functional committees 5. Internal control

The Company has completed the performance self-evaluation of the Board of Directors for 2024 and submitted the evaluation results to the Board of Directors in the first quarter of 2025 for the basis of review and improvement. The average score of the self evaluation of the Board of Directors is 4.83 (out of 5), while the overall average score of self-assessment of individual directors is 4.97 (out of 5), indicating that the Board of Directors is functioning well. The overall average score of the self-evaluation of the performance of the Remuneration Committee is 4.96 (out of 5), indicating that the Remuneration Committee is functioning well. The overall average score of the self-evaluation of the performance of the Audit Committee is 4.96 (out of 5), indicating that the Audit Committee is functioning well.

(II) The operation of the Audit Committee:

1. The operation of the Audit Committee:

(1) The term of office of the current committee members is from May 23, 2025 to May 22, 2028.

(2025) The Audit Committee held 5 meetings (A). The qualifications and attendance of the members are as follows:

Job title	Name	Number of attendances in person (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director (Convener)	Chen, Yao-Tsung	3	0	100%	Re-elected on May 23, 2025
Independent Director	Tan, An-Hung	2	0	100%	Retired on May 23, 2025
Independent Director	Chen, Yung-Chih	2	0	100%	Retired on May 23, 2025
Independent Director	Chen, Chih-Chang	5	0	100%	Newly Elected on May 23, 2025
Independent Director	Chen, Jia-Lin	3	0	100%	Newly Elected on May 23, 2025
Independent Director	Huang, Ya-Ping	3	0	100%	Newly Elected on May 23, 2025

Other information to be disclosed:

For Audit Committee meetings that meet any of the following descriptions, state the date and session of the board of directors, the content of the motion, the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinions.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Content of motion	Resolution of the Audit Committee	Opinions handled
14th meeting of the 1st term (March 05, 2025)	1. Resolution on the 2024 Business Report and Financial Statements.	Submitted to the Board of Directors for resolution upon approval of the members of the Audit Committee.	Not applicable
	2. Resolution on motion for the 2024 earnings distribution.		
	3. Resolution on the 2024 distribution of cash dividend from earnings.		
	4. Motion for the Company's 2024 internal control system statement.		
	5. Motion for amendments to Certain Provisions of the Company's " Articles of Incorporation ".		
	6. Motion for the Evaluation of the Independence of the Company's Certified Public Accountants (CPAs).		
	7. Formulating the procedures and general policies for prior consent of non-assurance services provided by Ernst & Young and its affiliates.		
15th meeting of the 1st term (May 08, 2024)	1. Motion for the Company's financial statements for Q1 2025.	Submitted to the Board of Directors for resolution upon approval of the members of the Audit Committee.	Not applicable
	2. Proposed Acquisition of Investment Property by the Company.		
1st meeting of the 2st term (May 23, 2025)	1. Election of the Convener of the Audit Committee.	All members of the Audit Committee unanimously elected Mr. Chen Yao-Zong as the convener and chairperson of the Committee.	Not applicable
2nd meeting of the 2st term (August 07, 2025)	1. Motion for the Company's financial statements for Q2 2025.	Submitted to the Board of Directors for resolution upon approval of the members of the Audit Committee.	Not applicable
3rd meeting of the 2st term	1. Motion for the Company's financial statements for Q3 2025.	Submitted to the Board of Directors for resolution	Not applicable
	2. Motion for the Company's 2026 audit plan.		

(November 07, 2025)	3. Motion for amendments to some provisions of the Company's " Articles of Incorporation ".	upon approval of the members of the Audit Committee.	
4th meeting of the 2st term (March 10, 2026)	1. Resolution on the 2025 Business Report and Financial Statements. 2. Resolution on motion for the 2025 earnings distribution. 3. Resolution on the 2025 distribution of cash dividend from earnings. 4. Proposal for Issuance of New Shares through Capitalization of 2025 Earnings 5. Motion for the Company's 2025 internal control system statement. 6. Motion for amendments to partial provisions of the Company's " Articles of Incorporation ". 7. Evaluation on the competency and independence of the certified accountants. 8. Formulating the procedures and general policies for prior consent of non-assurance services provided by Ernst & Young and its affiliates. 9. Proposal to Change the Company’s Independent Auditors Effective from the Review/Audit of the Q1 2026 Financial Statements 10. Definition and Scope of the Company’s Non-Managerial Employees	Submitted to the Board of Directors for resolution upon approval of the members of the Audit Committee.	Not applicable

(II) Other than the aforesaid matters, any motions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.

II. Recusal of independent directors for motions of conflict of interest, specify the names of independent directors, contents of motions, reasons for recusal and participation in voting: None.

III. Communication between independent directors and the chief internal auditor and accountants (should include the material matters, methods and results of communication on the Company's financial and business status, etc.):

(1) The chief internal auditor and the CPAs may contact the independent directors directly if necessary, and the communication between them is good.

(2) In addition to the monthly audit reports received by the Company's independent directors, the chief internal auditor communicates and discusses the Company's internal audit implementation and internal control operations with the independent directors through emails or meetings. In the quarterly meetings of the Audit Committee, important operations of the Company and subsidiaries are reported to the independent directors separately, and the implementation and effectiveness of audit operations have been fully communicated.

(3) The CPA reports at least twice a year to the independent directors on the Company's financial status, the financial and overall operations of domestic and overseas subsidiaries, and the audit status of internal control, and fully communicates whether there are significant adjustment entries or whether amendments to laws and regulations affect the accounting results.

(4) Past communication between independent directors and chief internal auditor:

Date	Communication status	Communication results
March 05, 2025 Audit Committee	1. Internal audit report Octiober to December 2024. 2. Discussion of the 2024 "Internal Control System Statement".	1. No opinions. 2. Moved to be presented to the Board of Directors.
May 08, 2025 Audit Committee	1. Internal audit report January to March 2025.	1. No opinions.
August 07, 2025 Audit Committee	1. Internal audit report April to June 2025 .	1. No opinions.
November 07, 2025 Audit Committee	1. Internal audit report July to September 2025. 2. Discussion of the 2026 annual audit plan.	1. No opinions. 2. Moved to be presented to the Board of Directors.

(5) Past communication between independent directors and CPAs:

Date	Communication status	Communication results
March 05, 2025 Audit Committee	1. Communication and discussion of the 2024 parent company only financial statements and consolidated financial statements conducted. 2. Evaluation of the Independence of the Certified Public Accountant (CPA). 3. Key Audit Matters.	After sufficient communication with the independent directors, no objection was raised.
May 08, 2025 Audit Committee	Communication and discussion of the consolidated financial statements for Q1 2025.	After sufficient communication with the independent directors, no objection was raised.
August 07, 2025 Audit Committee	Communication and discussion of the consolidated financial statements for Q2 2025.	After sufficient communication with the independent directors, no objection was raised.
November 07, 2025 Audit Committee	Communication and discussion on the results of the review of the consolidated financial statements for Q3 2025 and the recent regulatory updates conducted.	After sufficient communication with the independent directors, no objection was raised.

Major reviews and duties of the Audit Committee:

1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of the internal control system.

3. Establishment or amendment of the procedures for the acquisition or disposal of assets, engagement in derivatives transactions, loaning of funds to others, endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving the directors' personal interests.
5. A major asset or derivative transactions.
6. Any material lending, endorsement, or guarantee.
7. Offering, issuance or private placement of equity-type securities.
8. Appointment, dismissal or remuneration of CPAs.
9. Appointment and dismissal of head of finance, head of accounting or internal auditing officer.
10. The annual financial report signed or sealed by the chairman, managers and head of accounting, and the financial report Q2 that must be audited and certified by a CPA.
11. Other important matters required by the Company or the competent authority.

Major tasks of the Audit Committee in 2025:

1. Adequate presentation of the Company's financial statements.
2. Selection (dismissal) of CPAs, and their independence and performance.
3. Effective implementation of the Company's internal control.
4. The Company's compliance with relevant laws and regulations.

(III) Implementation of corporate governance and difference from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Evaluation item	Status of operation			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance best-practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established its "Corporate Governance Best Practice Principles" and disclosed it on the MOPS/Corporate Governance Section and the Company's website: Corporate Governance Section.	No significant difference.
II. The Company's shareholding structure and shareholders' rights and interests				No significant difference.
(I) Has the company formulated internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly?	✓		(I)In addition to the stock agency, the Company has a spokesperson and deputy spokesperson to handle shareholders' suggestions, questions or disputes and give them a proper response. Contact window for shareholders/investors is also in place for raising suggestions or questions to ensure shareholders' interests.	
(II) Does the company possess a list of the company's major shareholders and a list of the ultimate controllers of its major shareholders?	✓		(II)The Company has appointed share service personnel to be responsible for the share affairs of directors and major shareholders holding more than 10% of the shares, and to keep abreast of the ultimate controllers of the major shareholders and their changes.	
(III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates?	✓		(III)For the supervision of the affiliates, the Company has formulated its "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", "Internal Control System", "Procedures for Loaning of Funds and Making of Endorsements/Guarantees", "Procedures for Acquisition and Disposal of Assets", and "Procedures for Supervision of Subsidiaries", "Procedures for Financial Operations Between Related Parties", and "Procedures for Transactions of Group Companies, Related Parties, and Specific Companies" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the "Regulations Governing Establishment of Internal Control Systems by Public Companies", the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". These rules set forth the duties and responsibilities of the Company and its affiliates, and to establish appropriate firewalls based on risk assessment, and to implement and control them on an ongoing basis.	
(IV) Has the company set up internal regulations to prohibit internal personnel from utilizing the undisclosed information to trade securities?	✓		(IV)The Company has established the "Procedures for Handling Material Inside Information," "Insider Trading Prevention Guidelines," and the "Ethical Corporate Management Best Practice Procedures and Code of Conduct" to prohibit directors, employees, and other insiders from trading securities using undisclosed material information. These regulations have been disclosed on the Company's official website. The Company reminds insiders of compliance requirements to prevent insider trading by sending email notifications when filing insider shareholding reports on a monthly basis. In addition, notices of Board meetings are accompanied by reminders to directors, managerial officers, and relevant employees to duly safeguard the confidentiality of sensitive information contained in meeting materials. Furthermore, on February 8, 2025, the Company conducted a training session for insiders (directors and managerial officers), covering the prohibition of insider trading, related responsibilities, litigation, and case studies. A total of 7 participants attended a one-hour session. The training materials were also distributed to all insiders via email for their reference.	

Evaluation item	Status of operation			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
III. Composition and duties of the Board of Directors				
(I) Has the board formulated a diversity policy and specific management objectives, and have they been implemented?	✓		(I) Regarding the structure of the board of directors in Article 20 of the Corporate Governance Best Practice Principles, the appropriate diversity policy shall be formulated with respect to the Company's operations, business model and development needs, including but not limited to the following two major standards: 1. basic qualifications and values: gender, age, nationality, and culture. 2. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. For related specific management goals and implementation, please refer to pages 8-9 of 5. Diversity of the Board of Directors and Independence.	No significant difference.
(II) Apart from the remuneration committee and audit committee, has the company voluntarily established other functional committees?		✓	(II) The Company has established the Remuneration Committee and the Audit Committee in accordance with the law. The Company will establish other functional committees based on actual operational needs.	
(III) Has the company established Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company conduct a performance evaluation each year, submit the performance evaluation results to the board of directors and use them as reference in determining remuneration for individual directors, and nomination for reappointment?	✓		(III) The Company has established the “Board Performance Evaluation Procedures” and conducts annual performance evaluations of the Board of Directors. The evaluation covers the Board of Directors as a whole, individual directors, the Remuneration Committee, and the Audit Committee, and is conducted annually. The results are used as a reference for review and improvement, as well as for the selection or nomination of directors. The evaluation is conducted through self-assessment questionnaires. Please refer to “Implementation of the Board Performance Evaluation” (p.18) of this Annual Report for further details. The evaluation results and recommendations were reported to the Board of Directors on March 10, 2026, and have been disclosed on the Company’s website.	
(IV) Does the company regularly assess the independence of its CPAs?	✓		(IV) Our CPAs are from an internationally renowned accounting firm, and their professionalism is an important indicator for the Company to select CPAs. CPAs are not related parties of the Company, and their certifications are independent. The Audit Committee assesses the independence of CPAs based on the following standards each year, and reports the results to the Board of Directors, and assesses the legitimacy and independence of CPAs once a year. Please refer to "Assessment of Accountants' Independence" (p.28) of this annual report for details. The assessment results of the independence of CPAs have been reported to the Board of Directors in the first quarter of 2026, and the CPA firm has issued a letter of declaration. The most recent evaluation was approved by the Audit Committee on March 10, 2026, and subsequently approved by the Board of Directors.	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Status of operation</th><th rowspan="2">Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>IV. Has the company designated an appropriate number of personnel that specialize in corporate governance affairs (including but not limited to providing directors with the information needed and assist directors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders’ meetings, preparation of board meeting and shareholders’ meeting minutes, etc.)?</td><td>✓</td><td></td><td>In order to implement corporate governance, the Company urges the Board of Directors to exercise its due functions to protect the rights and interests of investors. On May 8, 2023, the Board of Directors resolved to appoint the Chief of the Finance Department as the position of head of corporate governance, which is the highest officer to handle corporate governance-related matters.
Main responsibilities are:
1. Handle matters related to the Board of Directors and Shareholders' Meeting in accordance with the law.
2. Preparation of minutes of board meetings and shareholders' meetings.
3. Assist in the appointment and continuing education of the directors.
4. Provide the information required by the directors to carry out their duties.
5. Assist directors in complying with laws and regulations.
6. Report the results of the review results of the regulatory compliance of the qualifications of the independent directors at the time of their nomination and election and during their term of office to the Board of Directors.
7. Handle matters related to the change of directors.
8. Other matters stipulated in the Company's Articles of Incorporation or contracts.

The continuing education of head of corporate governance in 2025 is as follows, with total hours:
<table>
<tr><th>Date of continuing education</th><th>Organizer</th><th>Course name</th><th>No. of hours of continuing education</th></tr>
<tr><td>May 09, 2025</td><td>Taipei Exchange</td><td>“Sustainable Development through the Taipei Exchange Market” Training Course</td><td>3 hours</td></tr>
<tr><td>July 11, 2025</td><td>Taiwan Institute of Directors</td><td>“Intergenerational Talent Management and Practical Implementation of IFRS S1 and S2 Sustainability Standards” Training Course</td><td>6 hours</td></tr>
<tr><td>September 12, 2025</td><td>Taiwan Institute of Directors</td><td>“Embracing the AI Wave: Unlocking the Business Potential of Generative AI” Training Course</td><td>3 hours</td></tr>
</table>
</td><td>No significant difference.</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Status of operation</th><th rowspan="2">Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>V. Has the company established channels for communication with the stakeholders (including but not limited to shareholders, employees, customers and suppliers), and set up a section for stakeholders on the official website of the Company with a proper response to the concerns of the stakeholders on issues related to corporate social responsibility?</td><td>✓</td><td></td><td>The Company has established a “Stakeholder” section on its official website. In respect of stakeholder rights and interests, the Company regularly identifies its stakeholder categories and establishes dedicated contact windows and communication channels for each group. Through appropriate communication mechanisms, the Company seeks to understand stakeholders’ reasonable expectations and needs, and responds properly to material corporate social responsibility issues of concern to stakeholders.
<table>
<tr><th colspan="4">Stakeholders’ topics of concern and communication channels</th></tr>
<tr><th>Stakeholders</th><th>Topics of concern</th><th>Communication methods and channels</th><th>Communication frequency</th></tr>
<tr><td>Employees</td><td>• Occupational health and safety
• Customer health and safety
• Labor/management relations
• Market image
• Labor-advisory relations</td><td>• Internal website
• Communication meetings between supervisors and colleagues from time to time
• Health checkup
• Labor-management meeting
• Employee Welfare Committee meeting
• Contact person: Ms. Lin of Human Resources Department
• Email: a2483@manzai.com.tw</td><td>• From time to time
• From time to time
• As stipulated by the Company
• From time to time</td></tr>
<tr><td>Shareholder</td><td>• Economic performance
• Ethical management
• Innovative products and technologies
• Corporate governance
• Socioeconomic compliance</td><td>• Annual General Meeting
• There is an investor section on the Company's official website.
• Disclosure of material information on Market Observation Post System
• Contact person: Spokesperson Director Kuo
• Email: finance@manzaixom.tw</td><td>• Once a year
• From time to time
• From time to time</td></tr>
<tr><td>Supplier / Contractor / Distributor</td><td>• Procurement practices
• Ethical management
• Economic performance
• Innovative products and technologies
• Socioeconomic compliance</td><td>• Supplier annual audit
• Assess the delivery and quality assurance capabilities of partners on a regular basis
• Company intranet (supplier section)
• Contact person: Manager Chen of Procurement Department
• Email: anne@manzai.com.tw</td><td>• Once a year
• Depending on the situation
• From time to time
• From time to time</td></tr>
<tr><td>Customer / Consumer</td><td>• Labor/management relations
• Intellectual property management
• Labor/management relations
• Information security
• Training and education</td><td>• Customer satisfaction survey
• Non-scheduled customer meetings, visits and E-mails
• Check customer environment and products, and protect confidential customer information
• Contact person: Assistant Manager Wang of the Sales Department</td><td>• At least once a year
• Real-time communication software or telephone
• From time to time
• Upon customer's request</td></tr>
</table></td><td>No significant difference.</td></tr>
<tr><td>VI. Does the company engage a professional stock transfer agency to handle affairs related to shareholders’ meetings?</td><td>✓</td><td></td><td>The Company entrusts the Stock Affairs Agency Department of Taishin Securities Co., Ltd. to handle the shareholders' meeting affairs.</td><td>No significant difference.</td></tr>
</table>

Evaluation item	Status of operation			Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
VII. Information Disclosure (I) Does the company have a website set up where its financial business, and corporate governance information is disclosed?	✓		(I) The Company has established a website: www.manzai.com.tw and has set up an investors section on the "Market Observation Post System" to disclose the Company's financial, business and corporate governance information. Financial, business and corporate governance information is disclosed at any time.	
(II) Has the company adopted other information disclosure methods (e.g., establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, and upload the procedure of investors conference on its website, etc.)?	✓		(II) An investors section on the Company's website has been set up for the disclosure of financial, business, and corporate governance information at any time. The responsible unit usually releases material information in accordance with the Company's operating procedures and relevant laws and regulations. The Company organizes physical or online investor conferences on a regular basis or from time to time, and announces quarterly financial forecasts on the Market Observation Post System or on the Company's website to enhance its information transparency.	No significant difference.
(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?	✓		(III) The Company publishes and reports the annual financial report, the Q1, Q2 and Q3 financial reports, as well as the operating status of each month within the time limit prescribed by the competent authority.	
VIII. Is there any important information (including but not limited to employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, further education of the directors and supervisors, risk management policy and risk assessment implementation, customer policy implementation, and the purchase of liability insurance for the company's directors and supervisors) that is helpful in understanding the corporate governance operation of the company?	✓		(I) Employee rights and employee care: The Company has established an Employee Welfare Committee according to laws and regulations, to handle various welfare and employee travel subsidies, and to allocate and contribute pensions in accordance with the Labor Standards Act and the Labor Pension Act. The Company provides group insurance, employee remuneration, year-end bonuses and other welfare measures, and protects the legitimate rights and interests of employees in accordance with the Labor Standard Act and other relevant laws and regulations to protect the rights and interests of employees. (II) Investor relations: The Company convenes shareholders' meetings each year in accordance with the Company Act and relevant laws and regulations. The Company also gives shareholders ample opportunities to ask questions and make proposals, and has a spokesperson system in place to handle shareholders' suggestions, questions and disputes. The Company also honestly discloses information on the Market Observation Post System according to laws and regulations. (III) Supplier relations: The Company has established a "supplier management procedure" to manage supplier relations. Moreover, we pay attention to the reasonableness of purchase prices at all times. After inquiring, comparing, and negotiating with several suppliers, the Company's procurement personnel make a decision after conducting a full comparison of the unit price, specifications, payment terms, delivery time, product and service quality or other information, and then fully compare and decide, and sign a written contract or purchase order in accordance with the principle of equality. This is to specify the rights and obligations of both parties during the cooperation period to protect the rights and interests of both parties. The Company has established close and long-term relationships, collaborative cooperation, mutual trust and mutual benefit with suppliers, and jointly pursues sustainable and win-win growth.	No significant difference.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Status of operation</th><th rowspan="2">Difference from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>(IV) Stakeholder rights: The Company's public website (www.manzai.com.tw) has an "Investors Section" to disclose the Company's financial and business-related information, and there is a link to the "Market Observation Post System" for the reference of stakeholders. The Company maintains open channels of communication with banks, employees, customers and suppliers, and respects and protects their legal rights and interests. A spokesperson system is in place to answer questions of investors and provide them and stakeholders with transparent financial and business information.
(V) Continuing education of directors: The Company’s directors have the relevant professional knowledge and have attended relevant courses in accordance with the relevant laws and regulations. The directors have also met the requirements of the hours of training. Please refer to the "Continuing Education of Directors" of this annual report (p.29).
(VI) Implementation of risk management policies and risk measurement standards: Responsible for the duties and responsibilities of the employees at different levels. In case of special circumstances, they will be reported to the Board of Directors at any time. In addition, the Company has established and effectively implemented a comprehensive internal control system in accordance with relevant laws and regulations. The implementation of the main customer policy: The Company has set up a sales department to provide customers with product services and questions, maintain smooth communication channels with customers. Complaints are communicated with customers in a timely manner to understand customer needs and to enhance the interaction between the Company and customers. Review and improvements are conducted from time to time at the Company's internal meetings.
(VII) Implementation of customer policy: The Company maintains a stable and good relationship with its customers and adheres to the customer first policy to create company profits.
(VIII) Liability insurance for directors and supervisors: The Company has arranged liability insurance coverage for its directors and managerial officers. The insurance period is from June 28, 2025 to June 28, 2026. The arrangement was reported to the Board of Directors on August 7, 2025.</td><td></td></tr>
<tr><td colspan="5">IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose priorities for enhancement matters and measures for any issues that are to be improved：The Company continues to implement relevant matters and measures in accordance with its Corporate Governance Best Practice Principles.</td></tr>
</table>

Appendix (I): CPA Independence Assessment

The Company's Audit Committee evaluates the independence and suitability of the CPAs every year. Aside from requiring the CPAs to provide "Declaration of Independence" and "Audit Quality Indicators (AQIs)", the evaluation is conducted in accordance with the criteria and the 13 indicators of the AQIs in the following table. It has been confirmed that the CPAs have no other financial interests or business relationships with the Company, except for the fees for certification and taxation cases, and the AQI indicator information is used to confirm that the CPAs and the firm are better than the industry average in terms of audit experience and training hours. The evaluation results for the most recent year were discussed and approved by the Audit Committee on March 10, 2026, and submitted to the Board of Directors on March 10, 2026 to resolve the evaluation of the independence and suitability of the CPAs.

Evaluation item	Evaluation results	Independence met
1. Whether the CPAs had any direct or material indirect financial interest in the Company	No	Yes
2. Whether the CPAs had a material close business relationship with the Company	No	Yes
3. Whether the CPAs had a potential employment relationship with the Company	No	Yes
4. Whether the CPAs had any financing or guarantee arrangements with the Company or the Company's directors and supervisors	No	Yes
5. Whether the CPAs provided audit services for the Company for seven consecutive years	No	Yes
6. Whether the Statement of Independence issued by the CPAs was regularly obtained	Yes	Yes

CPA Independence Statement

To the Audit Committee of Man Zai Industrial Co., Ltd.:

This letter represents our annual independence communication in accordance with the requirements of applicable laws and professional standards.

In accordance with the provisions of the Auditing Standards, we report to you that we followed the relevant ethical standards related to independence.

We are not aware of any relationships or other matters that may be considered to affect our independence.

In accordance with the International Standards on Auditing and the IESBA Code, we report to you the fees charged by us and our allied firms for audit and non-audit services provided to the Company and its controlled entities during the period covered by the financial statements.

This statement is for reference only by the audit committee, management and other personnel of the Company and shall not be used for any other purpose.

Regards,

Ernst & Young Global Limited

Yao, Shih-Chieh

CPA：

Hung, Kuo-Sen

March 10, 2026

Appendix (II): 2025 Continuing Education of Directors

Job title	Name	Date of continuing education	Organizer	Course name	No. of hours of continuing education
Representative of corporate director	Wan, Cheng-Chien	May 09, 2025	Taipei Exchange	“Sustainable Development through the Taipei Exchange Market” Training Course	3
		July 11, 2025	Taiwan Institute of Directors	“Intergenerational Talent Management and Practical Implementation of IFRS S1 and S2 Sustainability Standards” Training Course	6
Director	Fang Chuang, Hsiu-Shu	May 09, 2025	Taipei Exchange	“Sustainable Development through the Taipei Exchange Market” Training Course	3
		July 11, 2025	Taiwan Institute of Directors	“Intergenerational Talent Management and Practical Implementation of IFRS S1 and S2 Sustainability Standards” Training Course	6
Director	Huang, Chen-An	May 09, 2025	Taipei Exchange	“Sustainable Development through the Taipei Exchange Market” Training Course	3
		July 11, 2025	Taiwan Institute of Directors	“Intergenerational Talent Management and Practical Implementation of IFRS S1 and S2 Sustainability Standards” Training Course	6
Independent Director	Chen, Chih-Chang	May 09, 2025	Taipei Exchange	“Sustainable Development through the Taipei Exchange Market” Training Course	3
		July 11, 2025	Taiwan Institute of Directors	“Intergenerational Talent Management and Practical Implementation of IFRS S1 and S2 Sustainability Standards” Training Course	6
Independent Director	Chen, Yao-Tsung	May 09, 2025	Taipei Exchange	“Sustainable Development through the Taipei Exchange Market” Training Course	3
		July 11, 2025	Taiwan Institute of Directors	“Intergenerational Talent Management and Practical Implementation of IFRS S1 and S2 Sustainability Standards” Training Course	6
Independent Director	Chen, Chih-Chang	May 09, 2025	Taipei Exchange	“Sustainable Development through the Taipei Exchange Market” Training Course	3
		July 11, 2025	Taiwan Institute of Directors	“Intergenerational Talent Management and Practical Implementation of IFRS S1 and S2 Sustainability Standards” Training Course	6
Independent Director	Chen, Jia-Lin	July 24, 2025	Taipei Exchange	Briefing Session on Legal Compliance of Insider Stock Trading for the Year 2025	3
		August 22, 2025	Chinese National Association of Industry and Commerce	2025 Taishin Shin Kong Net Zero Summit Forum	3
		November 14, 2025	Project Management Association of Taiwan	Business Value and Digital Risk Insights of Generative AI	3
		November 28, 2025	Project Management Association of Taiwan	Analysis of Artificial Intelligence Trends and Corporate Risk Management Strategies	3

(IV) If the Company has a remuneration committee or nomination committee, the composition, responsibilities and operation of the committee shall be disclosed:

1. Information on the members of the Remuneration Committee

(I) Professional qualifications and experience of the Remuneration Committee members

Identity	Name	Professional qualifications and experience
Independent Director (Convener)	Chen, Chih-Chang	Please refer to the Appendix on Page 6 - Directors' Information.
Independent Director	Chen, Yao-Tsung	
Independent Director	Chen, Jia-Lin	
Independent Director	Huang, Ya-Ping	

(II) Independence of the Remuneration Committee members

Name	Status of independence	Number of other public companies serving as Remuneration Committee member concurrently
Independent Director Chen, Chih-Chang	During the two years prior to the appointment and during the term of office, the following independence assessment conditions have been met: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent). (3) Not a natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an officers under (1) or any of the persons in (2) or (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent). (6) Not a director, supervisor, or employee of another company of a majority of the company’s director seats or voting shares and those of any other company are controlled by the same person (this restriction does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent). (7) Not a director, supervisor or employee of another company or institution in which the chairman, general manager or personnel with equivalent position are the same person or have spouse relationship (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or a subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary). (8) Not a director, supervisor, officer or shareholder holding more than 5% of the shares of a specific company or institution in a business or financial relationship with the Company (the same does not apply, however, in cases the specific company or institution holds more than 20% but less than 50% of the Company’s total issued shares, and the person is an independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the company and its parent or subsidiary or a subsidiary of the same parent). (9) A professional individual, or an owner, partner, director, supervisor, or officers of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or	2
Independent Director Chen, Yao-Tsung		0
Independent Director Chen, Jia-Lin		0
Independent Director Huang, Ya-Ping		1

Name	Status of independence	Number of other public companies serving as Remuneration Committee member concurrently
	that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the Company for which the provider in the most recent two fiscal years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided. However, this restriction does not apply to a member of the Compensation Committee, Public Tender Offer Review Committee, or Special Committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. Does not meet any of the conditions stated in Article 30 of the Company Act.	

2. Information on the operation of the Remuneration Committee

(I) The Company's Remuneration Committee consists of 4 members.

(II) The term of office of the current members: May 23, 2025 to May 22, 2028. In the most recent year, the (2025) Remuneration Committee met 3 times (A). The attendance is as follows:

Job title	Name	Number of attendances in person (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
(Convener)	Chen, Chih-Chang	3	0	100%	Re-elected on May 23, 2025
Committee member	Tan, An-Hung	1	0	100%	Retired on May 23, 2025
Committee member	Chen, Yung-Chih	1	0	100%	Retired on May 23, 2025
Committee member	Chen, Yao-Tsung	2	0	100%	Newly-elected on May 23, 2025
Committee member	Chen, Jia-Lin	2	0	100%	Newly-elected on May 23, 2025
Committee member	Huang, Ya-Ping	2	0	100%	Newly-elected on May 23, 2025

Note: The Company completed the re-election of its directors on May 23, 2025. The Remuneration Committee held one meeting prior to the re-election and two meetings thereafter.

Other information to be disclosed:

I. If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the opinions of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the difference and its reason): None.

II. As to the resolution of the remuneration committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: Please refer to point 1 in the above paragraph.

(III) Committee operations

Remuneration Committee			Content of motion	Dissenting or qualified opinion of independent director
5th Term	7th meeting	March 05, 2025	I、Motion for 2024 distribution of remuneration to employees and directors.	None
			Opinion of the independent directors: None.	
			The Company's handling of the opinions of the independent directors: None.	
			Results of the resolution: Approved as it was proposed without objection from the attending members after being consulted by the chair.	
6th Term	1st meeting	May 23, 2025	I、Election of the Chairperson of the Remuneration Committee	None
			Opinion of the independent directors: None.	
			The Company's handling of the opinions of the independent directors: None.	
			Results of the resolution: Approved as it was proposed without objection from the attending members after being consulted by the chair.	
	2nd meeting	November 07, 2025	I、Motion for review of Company's remuneration to directors and managers for 2026.	None
			Opinion of the independent directors: None.	
			The Company's handling of the opinions of the independent directors: None.	
			Results of the resolution: Approved as it was proposed without objection from the attending members after being consulted by the chair.	

(V) State of the promotion of sustainable development operations and any difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference:

<table>
<tr><th rowspan="2">Promotion of sustainable development</th><th colspan="3">Implementation status</th><th rowspan="2">Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>I. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development which is authorized by the board of directors to be handled by senior management and supervised by the board of directors?</td><td>✓</td><td></td><td>(I) The company has not yet established a Sustainability Development Committee. At this stage, the formation of such a committee is under evaluation and planning. Currently, the highest governing body responsible for promoting sustainability is the Chairman of the Board.
(II) The Chief Corporate Governance Officer reports to the Board of Directors on the progress of sustainability development goals related to governance, economic, and environmental aspects. Social responsibility education and training sessions have not yet been held on a regular basis, but they will be arranged in the future based on actual needs.
(III) Although we do not have a unit dedicated to (or part-time) sustainable development, we have prepared our own 2023 ESG report in 2024. Please refer to the Company's website.</td><td>No significant difference.</td></tr>
<tr><td>II. Has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operation in accordance with the materiality principle and established the relevant risk management policy or strategy?</td><td>✓</td><td></td><td>(I) In accordance with the "Sustainable Development Best Practice Principles", we implement corporate governance and conduct risk assessments on environmental, social and corporate governance issues related to company operations. We develop a sustainable environment, and maintain social welfare, while formulating relevant risk management strategies and measures for major issues.
(II) This disclosure covers the sustainable development performance of the Company's main business locations from January to December 2025. The boundary of risk assessment is mainly based on the Company.
(III) Based on the materiality principle for sustainable development, the Company conducts risk assessments on important issues, and based on the assessed risks, the relevant risk management policies are formulated as follows:
<table>
<tr><th>Material Issues</th><th>Risk assessment items</th><th>Risk management policy</th></tr>
<tr><td>Environment</td><td>Environmental impact and management</td><td>1. Through the implementation of process safety management and institutionalized management cycles, the Company effectively reduces pollution emissions and impacts to the environment.
2. In order to meet the market demand, our products must comply with environmental protection regulations. Therefore, we have obtained the "ISO 14001" environmental management certification since 2004, and have continued to obtain certification on a regular basis.</td></tr>
<tr><td>Society</td><td>Occupational safety</td><td>1. In 2018, the "ISO 45001 Occupational Health and Safety Management System" certification was completed at all plants.
2. Hold fire drills and industrial safety education and training on a regular basis each year to cultivate employees' abilities in emergency response and self-safety management.
3. Implement various hazard prevention plans: ergonomic hazards, abnormal workloads, unlawful infringement, labor health service plans, and maternal health protection plans.
4. The Company has a health management office and a lactation room where</td></tr>
</table>
</td><td>No significant difference.</td></tr>
</table>

Promotion of sustainable development	Implementation status					Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary			
					full-time nurses are in place, providing labor health services; specialist physicians are onsite on a monthly basis to provide services.	
				Product Quality and Safety	1. All company products comply with government regulations and conform to the EU RoHS standards, containing no hazardous substances. 2. Obtained the "IATF 16949" quality management certification in 2024.	
			Corporate governance	Socioeconomic and compliance	1. Through the establishment of a governance organization and the implementation of the internal control mechanism, all Company personnel and operations complying with the relevant laws and regulations is ensured. 2. The Company applies for patent law for its R&D products to protect their rights and interests.	
				Strengthening of the functions of directors	1. Plan relevant continuing education topics for directors, and provide directors with the latest laws and regulations, system development, and policies every year. 2. Liability insurance for directors has been taken out to protect directors against litigation or claims.	
				Stakeholder communication	1. In order to prevent the stakeholders from taking different positions from the Company, causing misunderstandings and litigation risks, the Company analyzes the key stakeholders and their important issues of concern on an annual basis. 2. Establish various communication channels and actively communicate to reduce conflicts and misunderstandings. The Company has set up an investor mailbox, and the spokesperson is responsible for handling and responding related matters.	
III. Environmental Issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		(I) The company complies with environmental regulations established by the Ministry of Environment—such as the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, and the Toxic and Concerned Chemical Substances Control Act—by formulating Environmental, Health, and Safety (EHS) management policies and implementing related management information systems. The company has also obtained certification for the ISO 14001:2015 Environmental Management System, with the latest certificate valid from August 17, 2024 to August 17, 2027.			Indicated as follows.
(II) Is the company committed to enhancing the utilization efficiency of resources and using renewable materials that have low impact on the environment?	✓		(II) 1. The company actively promotes energy-saving and carbon-reduction initiatives as part of its commitment to corporate social responsibility and sustainable green production, aiming to effectively fulfill its environmental obligations. Manzai Industrial adopts green packaging design to help customers reduce energy consumption. From the source, the company focuses on minimizing packaging materials and designing eco-friendly packaging. Without compromising product quality, industrial bulk packaging is used to significantly reduce the use of cardboard materials. The primary goal is to reduce packaging volume, which in turn lowers carbon emissions and energy consumption during transportation. The design principles emphasize resource conservation, low pollution, and ease of recycling. Additionally, after material use, items are collected and returned to suppliers for reuse, helping reduce energy consumption and cut supplier costs.			
	✓		2. The statistics of renewable and non-renewable energy cover all operating sites, including			

<table>
<tr><th rowspan="2">Promotion of sustainable development</th><th colspan="3">Implementation status</th><th rowspan="2">Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(III) Does the company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues?</td><td>✓</td><td></td><td>all plant locations. The relevant energy consumption disclosure data are presented in the table below:
<table>
<tr><th>Category</th><th>Item</th><th>2024 Consumption(GJ)</th><th>2025 Consumption(GJ)</th></tr>
<tr><td>Direct Energy</td><td>Natural Gas, gasoline, diesel fuel</td><td>4,779.02</td><td>6,369.29</td></tr>
<tr><td>Indirect Energy</td><td>Electricity</td><td>21,890.38</td><td>19,834.20</td></tr>
<tr><td>Total Energy</td><td></td><td>26,669.40</td><td>26,203.49</td></tr>
</table>
(III) In reponse to the impacts arising from climate change, Man-Zai Industrial refers to the four core pillars of (TCFD) framework to indentify potential risks and opportunities during its operations. The Company formulates strategies for various climate-related risks and opportunities, with the aim of reducing environmental pollution and achieving its corporate sustainability objectives.
<table>
<tr><td>Governance</td><td>● The Board of Directors serves as the highest decision-making body for Man Zai Industrial’s risk management. It is responsible for approving risk management policies and key risk management systems, as well as overseeing their implementation. Climate change-related risk issues will be included as part of regular reporting items in the future.
● As Man Zai Industrial is in the initial stage of implementing climate change risk management, during the development and refinement process, the Chairman currently serves as the highest governance officer for climate-related issues. The Chief Financial Officer concurrently acts as the responsible person for promoting sustainability and climate change-related matters. The Company continuously identifies climate-related risks and opportunities, and manages response plans and progress tracking on an annual basis.</td></tr>
<tr><td>Risk Categories</td><td>● Extreme weather impacts (e.g., water supply restrictions, power outages, typhoon-related transportation disruptions)
● Carbon pricing / carbon fee regulatory requirements
● Product transformation with low market acceptance</td></tr>
<tr><td>Opportunity Categories</td><td>● Innovative products applied in heat exchange circulation systems to reduce energy consumption</td></tr>
<tr><td>Strategy</td><td>1. Establish backup water tanks (groundwater storage), emergency power generation systems, and emergency notification and facility</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion of sustainable development</th><th colspan="3">Implementation status</th><th rowspan="2">Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>communication mechanisms.
2. Install rooftop solar power generation systems since 2015 to reduce environmental pollution.
3. Establish comprehensive emergency response strategies for floods, earthquakes, fires, and other disasters.
4. Activate backup equipment and supply systems; in case of manpower shortages, production-related instructions and coordination are centrally managed by the Manufacturing Department.</td></tr>
<tr><td>Risk Management</td><td>The Company has assessed that policy, regulatory, and market-related risks and opportunities are the primary focus areas.
Risks：
1. In response to energy policies, the Company has installed solar power generation systems to reduce environmental pollution and createoperational benefits.
2. Climate change and natural disasters may reduce production capacity. Countermeasures include strengthening emergency response training and enhancing drainage systems for flood prevention.
Opportunities：
1. Risk mitigation measures alos contribute to improved production efficiency and increased revenue.
2. The establishment of solar power generation systems effectively reduces environmental impact and enhances environmental friendliness.</td></tr>
<tr><td>Metrics and Targets</td><td>● Installation of solar power generation systems.
● Ongoing nonitoring of carbon fee regulations, with periodic review of carbon reduction measures and carbon cost calculations.</td></tr>
</table>
</td><td></td></tr>
<tr><td>(IV) Has the company prepared statistics on greenhouse gas emissions, water consumption and total volume of waste for the past two years, and formulated policies for to save energy saving and reduce carbon, greenhouse gas, water use, or other waste management?</td><td>✓</td><td></td><td>(IV) The Company fulfills its corporate social responsibility by operating internal management systems and implementing various pollution prevention facilities. It promotes energy conservation and carbon reduction, greenhouse gas inventory and reduction, as well as measures to reduce water consumption and waste, with the objective of maintaining environmental sustainability. The statistical information for the past two years is presented as follows:
All of the Company's plants independent completed the inventory of ISO 14064-1 Scope 1 and 2 in 2025：
1. Greenhouse gas emissions in the past 2 years:
(Scope 1 and 2 information covers all plants)</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion of sustainable development</th><th colspan="3">Implementation status</th><th rowspan="2">Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>Unit: Tons CO2e
<table>
<tr><th>Year</th><th>Scope 1</th><th>Scope 2</th></tr>
<tr><td>2024</td><td>289.35</td><td>2,882.23</td></tr>
<tr><td>2025</td><td>335.67</td><td>2,611.50</td></tr>
</table>
2. The Company continues to pay attention to the issue of water resources and environmental protection. Water conservation is fully implemented in daily activities to maximize the use of water resources. Water consumption statistics for the past 2 years:
Unit: million tons
<table>
<tr><th>Year</th><th>Total water consumption</th></tr>
<tr><td>2024</td><td>23.86</td></tr>
<tr><td>2025</td><td>24.46</td></tr>
</table>
3. Tainan Plant is committed to environmental protection. To achieve sustainable resource reuse, the Company's waste treatment principle gives priority to re-use in the plant to reduce the consumption of raw materials. Waste output statistics for the past 2 years:
Unit: Tons
<table>
<tr><th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th></tr>
<tr><td>2024</td><td>-</td><td>175.62</td></tr>
<tr><td>2025</td><td>-</td><td>260.87</td></tr>
</table>
</td><td></td></tr>
<tr><td>IV. Social issues
(I) Does the company have the relevant management policies and procedures stipulated in accordance with the applicable laws and regulations and international conventions on human rights?</td><td>✓</td><td></td><td>(I) 1. The Company complies with relevant national laws and regulations, including the Labor Standards Act, the Employment Service Act, and the Gender Equality in Employment Act, and recognizes and follows internationally recognized human rights conventions, such as the "Universal Declaration of Human Rights" and the "United Nations Guiding Principles on Business and Human Rights". Based on these, we formulate and implement policies to protect human rights. The Company's "Work Rules" and personnel management regulations and other relevant management policies and procedures protect the legitimate rights and interests of employees and respect the principles of basic labor rights. There have been no incidents that endanger basic labor rights.
2. The company’s human rights policy includes specific management measures such as providing a safe and healthy working environment, arranging annual health check-ups for employees, regular on-site physician consultations for employee health care and follow-up, prohibition of forced labor, prohibition of child labor, and regularly holding labor-management meetings.
3. To strengthen the implementation of human rights issues, the company conducts human rights-related courses during new employee training. These courses include topics such as gender mainstreaming, sexual harassment prevention, gender equality, labor laws, and the Labor Standards Act. In 2025, a total of 25 employees participated in human rights training, with a total of 75 training hours, averaging 3 hours of training per person. Moving forward,</td><td>No significant difference.</td></tr>
</table>

Promotion of sustainable development	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary	
(II) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) that appropriately reflects the business performance or achievements in the employee remuneration?	✓		the company will continue to focus on human rights protection, promote relevant educational training, and raise awareness to reduce the potential risks related to human rights violations. (II) The Company formulates and implements reasonable employee welfare measures including salary, leave and other benefits, and appropriately reflects the operating performance in the salary: I.The Company has set up a Remuneration Committee, responsible for the policy, system, standard and structure of the remuneration. II.Appraisal and evaluation: The evaluation results are used as the basis for promotion, bonus and remuneration. III.Bonus: Combined with the Company's operating performance, annual net profit and employee's evaluation. IV. In order to balance corporate sus tainablilty with employees' retirement life, employees may participate in the Employee Stock Savings Trust. The Compancy encourages employees to plan for retirement early and to allocate their assets in advance, thereby ensuring financial security in retirement. V. Pension System and Implementation： (1) To p rovide for employees' post-retirement life, promote harmonious labor-management relations, and enhance work efficiency, the Company established a Labor Pension Reserve Supervisory Committee on February 22, 2000, and appropriates labor pension reserves in accordance with relevant regulations. Employees may also voluntarily contribute up to 6% of their monthly salary to their pension accounts. As of the end of 2025 (ROC Year 114), a total of 30 employees made voluntary contributions, representing 14.42% of employees covered under the new pension scheme. For the year 2025, the Company recognized expenses of NT$5,630,332 under the defined contribution plan (new pension scheme). (2) Under the defined benefit plan previously implemented in accordance with the Labor Standards Act, there are currently no employees covered by the old pension scheme; therefore, no further pension reserves have been appropriated. (3) The pension system under the Labor Pension Act is as follows： 3.1 Employer Contributions The Company contributes a monthly amount equivalent to 6% of each employee's salary to the employee's individual pension account. 3.2 Voluntary Employee Contributions Employees amy voluntarily contribute up to 6% of their monthly salary. Such voluntary contributions are fully deductible from the employee's annual consolidated income for tax purposes.	

<table>
<tr><th rowspan="2">Promotion of sustainable development</th><th colspan="3">Implementation status</th><th rowspan="2">Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(III) Has the company provided employees with a safe and healthy work environment and regularly provided safety and health education to employees?</td><td>✓</td><td></td><td>3.3 Pension Benefits Claims
Employees who have reached the age of 60 may apply for pension benefits from the Bureau of Labor Insurance in accordance with applicable regulations, regardless of whether they are still employed.
(III) In compliance with the "Occupational Safety and Health Act" and the "Labor Safety and Health Act", the Company has established an "Occupational Safety and Health Committee" to strengthen autonomous management, commit to reducing occupational hazards, and protect the safety and health of employees. The Company provides its employees with a comfortable, safe, and healthy working environment, including the implementation of necessary access control measures, regular labor safety education and training, first-aid training, total indoor smoking cessation. Each year, regular emergency response drills are performed.
1. Occupational health and safety system
In order to prevent occupational safety incidents, provide a friendly working environment, and protect the safety of employees and contractor employees, in 2011, the Company obtained the international certification for Taiwan's occupational safety and health management system, and obtained the certificate. The certification was converted to ISO 45001 in 2020. The certificate is valid from November 2, 2024 to November 2, 2027.
2. There were 1 cases of occupational injury in 2025 involving 1 employees (accounting for 0.36% of the total number of employees at the end of 2025), and corrective measures have been taken in response to these incidents.
3. Equipment safety management
The Company classifies equipment to control and manage dangerous machinery and equipment in accordance with the law and conducts detailed inspections to ensure that the equipment can be operated safely. In 2025 the Company's dangerous machinery has been equipped with a total of 21 units. Regular inspections are conducted in accordance with the "Regulations for Safety Inspection of Hazardous Machines and Equipment" to ensure the safety of equipment.
Total number of people trained, and hours for occupational safety education in the most recent two years
<table>
<tr><th>Year</th><th>Number of people receiving education and training</th><th>Number of hours of education and training</th></tr>
<tr><td>2024</td><td>335</td><td>37.8</td></tr>
<tr><td>2025</td><td>318</td><td>22.29</td></tr>
</table>
4. The number of fire incidents in the Company in 2025 was 0, so no casualties were reported. The Company has also formulated a "Man Zai Emergency Response Plan" in response to possible occurrences of accidents or emergencies. The Safety Office also organizes fire drills and inspections of fire-fighting equipment every year and reports the</td><td></td></tr>
</table>

Promotion of sustainable development	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary	
			results of the drills. We prevent or mitigate the effects of personal injury, property loss and production interruption caused by such emergencies. Employees must wear ID badges when entering and leaving the office. Visitors or guests must be guided by the security guard office for real-name registration and no unauthorized entry is allowed. We periodically sign a contract with a security company to maintain office security. A 24-hour surveillance system is installed at the gate.	
(IV) Has the company established an effective career development training program for its employees?	✓		(IV) The Company creates a good environment for employees' career development, and establishes an effective career ability development training program to encourage employees to improve themselves. Occupational training courses are provided for different career competencies in order to enhance their professional competence and achieve their career development goals, further achieving the Company’s operational goals. In 2024, a total of 293 employees completed career training, with a total of 767 training hours.	
(V) Does the company comply with laws and international standards with respect to customer health, safety and privacy, marketing and labeling in all products and services offered, and have the company implemented consumer protection policies and complaint procedures?	✓		(V) 1. The Company maintains good communication channels with customers and provides transparent and effective procedures for handling customer complaints about products and services. The content of the complaints is provided to the relevant internal units to formulate effective countermeasures. 2. The company strictly adheres to relevant regulations and international standards concerning customer health and safety, customer privacy, marketing, and labeling. Additionally, the company has obtained the revised IATF 16949 automotive quality management system certification (with the latest validity period from September 2, 2024, to September 1, 2027), and follows this standard to implement quality policies aimed at achieving customer satisfaction. The company places great importance on after-sales service and has multiple customer complaint channels, along with standardized operating procedures for handling complaints. Continuous tracking and improvement are carried out to ensure that product quality at all stages meets customer requirements and relevant standards.	
(VI) Has the company implemented a supplier management policy that regulates suppliers’ conduct with respect to environmental protection, occupational safety and health or work rights/human rights issues, and does the company track suppliers’ performance on a regular basis?	✓		(VI) 1. The Company's supplier transactions are handled in accordance with the Company's "Supplier Management Procedures". In addition to evaluating delivery quality, cost, lead time, and technical capabilities, the company also extends its assessments to environmental protection, occupational health and safety, and social impact. Furthermore, the company has established the "Procurement Environmental, Health, and Safety Management Procedures" to ensure that the procurement of raw materials, technical products, and technical services complies with national laws and regulations, as well as the organization's environmental, health, and safety requirements, fulfilling supplier management and corporate social responsibility. The company ensures that 100% of raw materials and products comply with RoHS standards, and suppliers do not use minerals from conflict regions. If a supplier violates this commitment and significantly impacts the environment or society, the company reserves the right to terminate or cancel the contract at any time. 2. Supplier evaluations are conducted jointly by the procurement and quality assurance	

Promotion of sustainable development	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary	
			departments. Before the first transaction, an evaluation must be conducted to qualify as a supplier. The evaluation primarily focuses on suppliers who provide goods on a monthly basis, with suppliers who deliver quarterly being considered secondary, while others are not evaluated. The quality performance of suppliers is assessed by the quality assurance department. In 2025, 31 suppliers were evaluated, and no suppliers were deemed unqualified for the year.	
V. Has the company prepared a sustainability report or a report on non-financial information with reference to internationally accepted standards or guidelines? Are these reports supported by the assurance or opinion of a third-party verification entity?	✓		(I) The company's 2024 Sustainability Report is prepared in accordance with the GRI Standards (2021) issued by the Global Reporting Initiative (GRI), and also references the industry standards of the Sustainability Accounting Standards Board (SASB) as reporting principles. The report has been approved by the Board of Directors and is publicly available on the company's website and the Market Observation Post System (MOPS). (II) However, the report has not yet been verified by a third-party verification body.	Indicated as follows.
VI. If the company has formulated its own Sustainable Development Best-Practice Principles in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the principles: The Company has established its own Sustainable Development Best Practice Principles. There was no significant difference between the Company's practical implementation and the code of conduct.				
VII. Other important information to help understand the promotion of sustainable development implementation: (I) At Man Zai, we recruit and appoint personnel without discrimination based on gender, race, nationality, etc. We spare no effort to protect the rights and interests of employees. In addition to labor insurance and national health insurance as required by law, each employee is also covered by group insurance to protect employee interests and provide them with a robust working environment. (II) Regarding environmental protection, we follow the relevant laws and regulations of environmental protection to ensure compliance with government regulations, reduce the impact on the environment, and move towards the goal of pollution-free. (III) Regarding supplier relations, the Company not only requires suppliers to cooperate closely, but also evaluates suppliers on a regular basis to ensure delivery and quality and maintain a good interactive relationship with them. (IV) Regarding the Company's investor relations and stakeholders' rights, we maintain open communication channels at all times, give full play to the spokesperson mechanism, and release public information in a timely manner under the principle of good faith to protect the rights and interests of our investors and stakeholders.				

Note 1: The materiality principle refers to the environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

Climate-related information should be disclosed by companies that meet certain criteria:

1. Implementation of Climate-Related Information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>The Board of Directors serves as the highest decision-making body for risk management at Manzai Industrial, responsible for approving risk management policies and key risk management systems, as well as overseeing their implementation. Climate change-related risks will be included as a regular reporting item in the future.
As Man Zai Industrial is in the initial stages of implementing climate change risk management, the President currently serves as the highest-level governance officer for climate-related issues during the promotion and revision process. The Director of the Finance Department concurrently acts as the person in charge of promoting sustainability and climate-related matters. The company will continue to conduct annual identification of climate change risks and opportunities, manage response plans, and track implementation progress.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</td><td>The company is actively formulating solutions with the aim of mitigating the operational and financial impacts brought about by climate change and enhancing organizational climate resilience. It defines the short term as within 3 years, the medium term as 3 to 5 years, and the long term as over 5 years. Based on this framework, the company evaluates the potential operational and financial impacts of climate-related risks and opportunities to develop corresponding action plans.
<table>
<tr><th>Period</th><th>Climate Risks & Opportunities</th><th>Business Impact</th><th>Strategic Impact</th><th>Financial Impact</th></tr>
<tr><td>Short-term (within 3 years)</td><td>**Risks：**
Carbon fees/taxes; extreme weather events (floods/droughts)
Opportunities：
Development of low-carbon products and services</td><td>Cost structure affected by carbon pricing; production and delivery stability may be disrupted by extreme weather, increasing demand for low-carbon products</td><td>Promote energy-saving measures; assess adoption of renewable energy; develop low-carbon products</td><td>Operating costs may increase; however, low-carbon products may drive revenue growth</td></tr>
<tr><td>Medium-term (3-5 years)</td><td>**Risks：**
Transition pressure；supply chain disruptions
Opportunities：
Improved resource efficiency</td><td>Increased demand for process adjustments and equipment upgrades; supply chain instability may affect production scheduling</td><td>Introduce low-carbon technologies; diversify supply sources; strengthen energy management</td><td>Capital expenditures may increase; however, long-term operating costs may be reduced</td></tr>
<tr><td>Long-tem (over 5 years)</td><td>**Risks：**
Net-zero emission requirements; rising temperatures
Opportunities：</td><td>Processes and products must comply with low-carbon requirements; energy and raw material supply may be affected</td><td>Continue implementing decargonization strategies; develop sustainable supply chains; enhance</td><td>Operating costs may increase; however, financing capability may improve and cost of</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td><table><tr><td></td><td>Enhanced corporate reputation</td><td>by climate change; enhanced brand value</td><td>information disclosure</td><td>capital may decrease</td></tr></table></td></tr>
<tr><td>3. Describe the financial impact of extreme weather events and transformative actions.</td><td>Possible Scenarios of Extreme Weather Events:
Employees unable to reach the workplace, resulting in increased work costs.
Supply chain disruptions or production equipment failures, leading to higher production costs.
Delayed customer deliveries, leading to order cancellations and lost business.
Possible Scenarios of Transformation Actions:
Increase in capital or non-capital expenditures.
Product transformation with low market acceptance.
High costs associated with technology development.</td></tr>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>● Backup Equipment/Supply Systems: In case of attendance issues or other disruptions, manufacturing departments will consolidate and issue instructions.
● Climate Change Risk and Opportunities Consideration: Major issues such as "greenhouse gas emissions," "energy management," "wastewater and waste management," and "water resource management" have been identified. Specific management plans will be set annually based on goals to ensure continuous improvement.
Risks:
1. Energy Policy Compliance: The Company is gradually increasing solar power generation to reduce environmental pollution and create benefits.
2. Natural Disasters and Climate Change: These can cause a reduction in company capacity. The strategy to respond includes enhancing emergency response training and reinforcing drainage systems during floods.
Opportunities:
1. Risk Response Strategy: At the same time, the response strategies help increase company production capacity and boost revenue.
2. Solar Power Development: Establishing solar power generation systems effectively reduces environmental pollution and supports environmental sustainability.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td><td>Not Applicable.</td></tr>
<tr><td>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</td><td>Not Applicable.</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</td><td>Not Applicable.</td></tr>
<tr><td>8. If climate-related targets have been set, the activities</td><td>Please provide a detailed explanation of Table 1-1 and 1-2.</td></tr>
</table>

Item	Implementation status
covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Please provide a detailed explanation of Table 1-1 and 1-2.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most Recent 2 fiscal years.

The company has not yet reached the mandated timeframe for conducting inventory operations as required by the Sustainable Development Action Plan. However, relevant inventory-related initiatives have been proactively promoted in advance to ensure early preparedness. Accordingly, the greenhouse gas inventory information for the year 2024 is as follows:

Year		2024		2025	
Term(unit)		mission volume (metric tons CO2e)	intensity (metric tons CO2e/NT$ million)	mission volume (metric tons CO2e)	intensity (metric tons CO2e/NT$ million)
The Company	Scope 1 Direct greenhouse gas (GHG) emissions	289.35		335.67	
	Scope 2 Indirect greenhouse gas (GHG) emissions	2,882.23		2,611.50	
Total		3,171.58		2,947.17	

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT$ 1 million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
In accordance with the Financial Supervisory Commission's Order No. 11203852314 dated November 3, 2023, the company is currently classified as an OTC-listed company with paid-in capital of less than NT$5 billion. Disclosure will be completed in accordance with the timeline stipulated by the competent authority.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
I. Corporate Strategies for Responding to Climate Change and Greenhouse Gas Management: 1. The company continues to expand its solar power generation capacity, with four units currently installed. 2. Annual greenhouse gas inventories are conducted to plan and review carbon reduction strategies. High energy-consuming equipment is regularly replaced to reduce energy loss caused by aging systems. II. Corporate Greenhouse Gas Emission Reduction Targets: To achieve green energy transition, carbon reduction, environmental sustainability, and fulfill social responsibility, the company has set the following energy and GHG emission reduction goals: Short-term (2023–2025): Reduce electricity consumption by 1% annually. Mid-term (by 2030): Gradually increase the use of green energy and reduce GHG emissions by 5% compared to 2022 levels. Long-term (by 2050): Reduce GHG emissions by 10% compared to 2022 levels. II. Budget and Plans for GHG Emission Reduction: ● Installation of solar power generation systems. ● Annual reporting in accordance with regulations on air, water, waste, soil pollution, and GHG emissions to ensure compliance with environmental laws, supporting smooth company operations. VI. Carbon Reduction Effects of Products or Services for Customers or Consumers: The company has not yet conducted a product-level carbon inventory. Current efforts are focused on establishing a baseline and reducing emissions within the factory.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

(VI) State of ethical corporate management and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Evaluation item	Status of operation (Note 1)			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and plans (I) Has the company established an ethical corporate management policy approved by the board of directors? Does the policy clearly specify in its rules and external documents the ethical corporate management policies, and the commitment of the board of directors and the senior management to proactively implement the management policy?	✓		(I) The Company's Board of Directors has approved the establishment of the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Business Conduct and Code of Conduct", which have been disclosed on the Market Observation Post System and the Company's website (http://www.manzai.com.tw/index.php?option=module&lang=cht&task=showlist&id=102&index=1)	No significant difference.
(II) Has the company established a risk assessment mechanism against unethical acts, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical acts, and established prevention programs covering at least the preventive measures specified in Paragraph 2, Article 7 "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		(II) The Company's Ethical Corporate Management Best Practice Principles and "Procedures for Ethical Business Conduct and Code of Conduct" clearly prohibit offering or accepting bribes, offering or accepting illicit benefits, offering or promising facilitation fees, offering illegal political donations, engaging in unfair competitions, improper charitable donations or sponsorships, disclosing business secrets, or damaging the rights of interested parties. There are preventive measures in place and education campaigns have been taken to implement the ethical management policy from unethical practices.	
(III) Has the company clearly provided the operating procedures, conduct guidelines, disciplines for violations and a grievance system in its program to prevent unethical acts and have these been implemented, and has the formally disclosed program been regularly reviewed and amended?	✓		(III) The Company's "Procedures for Ethical Business Conduct and Code of Conduct" clearly define the standards for improper benefits and charitable donations, as well as the prevention procedures, penalties for violations, and grievance mechanisms. It also includes whistleblowing measures for violations of ethical behavior and integrity management, establishing both internal and external reporting channels and handling procedures. The system is effectively implemented and reviewed regularly for improvements.	
II. Ethical corporate management implementation (I) Has the company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners?	✓		(I) Before conducting business with suppliers, customers, or other transaction counterparties, the Company evaluates the legitimacy of the counterparties and whether they have any history of dishonest conduct. Only those with no negative records may become the Company's suppliers. In addition, the Company requires suppliers to include integrity clauses in the signed contracts. If any dishonest behavior is found, the Company may terminate or cancel the contract at any time and list the party as a disqualified counterparty.	Indicated as follows.
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and has such unit reported to the Board of Directors its	✓		(II) In November 2024, the Board of Directors approved the establishment of the "Procedures for Ethical Business Conduct and Code of Conduct." The	

Evaluation item	Status of operation (Note 1)			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary	
execution in terms of ethical management policy and preventive programs against unethical conducts and the supervision status on a regular basis (at least once a year)?			Management Department was designated to be responsible for the revision, implementation, and related training of the procedures. The Company will report at least once a year to the Board of Directors on the status of legal compliance and education/training implementation.	
(III) Has the company formulated a policy that prevents conflicts of interest and a channel that facilitates the reporting of conflicts of interests?	✓		(III) The Company has established a "Code of Ethical Conduct". Employees of the Company must act in the interest of the Company as a whole and not to interfere or impede the Company's interests for personal gain. The Company's Board of Directors or supervisors must be informed where there is a conflict of interest involving directors, supervisors, or managers that their actions may conflict with the Company's interests.	
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and proposed relevant audit plans according to the assessment results of the risks of unethical conducts, and reviewed the compliance of the prevention of unethical conducts, or entrusted an accountant to carry out the review?	✓		(IV) The Company has established accounting and internal control systems subject to ongoing review and revision. Internal auditors, based on risk assessments of unethical conduct, formulate audit plans and evaluate compliance with preventive measures, with results reported to the Board of Directors. Annual reviews are conducted to ensure continued effectiveness, serving as the basis for evaluating the overall internal control system and issuing the Internal Control System Statement.	
(V) Does the Company organize internal and external training on ethical corporate management on a regular basis?	✓		(V) The Company provides one hour of ethics training annually for new employees. In 2025, a total of 188 employees received integrity awareness training to reinforce understanding and internalization of the Company's core values of integrity. Relevant policies on ethical conduct and integrity are also disclosed on the Company's website for employees' reference at any time.	
III. The operation of the Company's whistle-blowing system (I) Has the company set up a specific reporting and incentive system, and established a channel to facilitate grievances and assigned dedicated personnel to receive grievances?	✓		(I) The Company has established the "Work Rules" to stipulate that if an employee finds any circumstance of anti-ethical corporate management, he/she may report or complain to the independent audit unit and the general manager at any time.	No significant difference.
(II) Has the company implemented any standard operating procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling grievances filed?	✓		(II) ~(III) The Company has established standard operating procedures for handling whistleblower cases, as well as confidentiality mechanisms and procedures for the protection of whistleblowers, as stipulated in the "Procedures for Ethical Business Conduct and Code of Conduct." In 2025, no whistleblower reports related to unethical conduct were received.	
(III) Has the company taken appropriate measures to protect the whistleblower from mistreatment as a result of whistleblowing?	✓			
IV. Information disclosure strengthening	✓		(I) The Company has set up a website and discloses corporate governance information in line with the counseling plan.	No significant difference.
(I) Has the company disclosed the content of its ethical corporate management Best-Practice principles and the results of implementation on its official website and MOPS?	✓		(II) The Company's management unit collects company # information and discloses it on the Company's website in line with the counseling plan.	
V. If the company has formulated its own Ethical Corporate Management Best-Practice Principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the Principles: No difference.				

Evaluation item	Status of operation (Note 1)			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary	
VI. Any other important information that may help understanding the performance of ethical corporate management better: The Company always pays attention to the development of domestic and foreign regulations related to ethical management, and encourages directors, managers and employees to make suggestions. These suggests are used to review and improve the established ethical management policy and promotion measures to enhance the effectiveness of the Company's ethical management.				

(VII) Other significant information that will provide a better understanding of the state of the company’s implementation of corporate governance may be disclosed: None.

(VIII) Implementation of the internal control system

1. Statement of Internal Control：Public Information Observatory > Individual Company > Corporate Governance > Corporate Policies / Internal Control > Internal Control System Statement Announcement.
2. If an accountant has been engaged to review the internal control system, the accountant's review report shall be disclosed: None.

(IX) Important resolutions adopted at the shareholders' meeting and board of directors meeting in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Shareholders' meeting

Date of meeting	Meeting name	Summary of important resolution topics	Resolution result	Subsequent implementation
May 23, 2025	2025 General Shareholders' Meeting	I. Ratification of the motion for 2024 business report and financial statements.	Approved as proposed	Announced on record after the resolution adopted at the shareholders' meeting on May 23, 2025
		II. Ratification of the motion for 2024 earnings distribution.	Approved as proposed	Announced on record after the resolution adopted at the shareholders' meeting on May 23, 2025
		III. Proposed Amendments to Certain Articles of the Company’s Articles of Incorporation.	Approved as proposed	Announced on record after the resolution adopted at the shareholders' meeting on May 23, 2025
		IV. Election of the 15th Directors, including Independent Directors.	Approved as proposed	Announced on record after the resolution adopted at the shareholders' meeting on May 23, 2025
		V. Approved the release of the prohibition on newly-elected directors and their corporate representatives from participation in competitive business.	Approved as proposed	Announced on record after the resolution adopted at the shareholders' meeting on May 23, 2025

2. Board of Directors

Date of meeting	Meeting name	Summary of important resolution topics
March 05, 2025	1st meeting in 2025 Board meeting	I. Motion for 2024 distribution of remuneration to employees and directors. II. Motion for 2024 business report and financial statements. III. Motion for 2024 earnings distribution. IV. 2024 distribution of cash dividend from earnings. V. To issue the Company's 2024 "Internal Control System Statement". VI. Motion for amendments to some provisions of the Company’s Articles of Incorporation."". VII. Motion for election of 15th directors. VIII. Motion for nomination of directors’ candidates. IX. Motion for removal of restrictions on competing behaviors of new directors. X. Matters related to the convening of the 2025 annual general meeting of the Company. XI. Motion for evaluation of the independence of the Company's CPAs. XII. The Company to formulate the procedures and general policies for prior consent of non-assurance services provided by Ernst & Young and its affiliates.
May 08, 2025	2nd meeting in 2025 Board meeting	I. Motion for the Company's financial statements for Q1 2025. II. Motion for Amendments to Certain Provisions of the Company’s Payroll Cycle Procedures.
May 23, 2025	3rd meeting in 2025 Board meeting	I. Proposal for the Election of the Chairperson of the Board. II. Appointment of Members of the Remuneration Committee.
August 07, 2025	4th meeting in 2025 Board meeting	I. Motion for the Company's financial statements for Q2 2025. II. Motion for Preparation of the Company’s 2024 Sustainability Report.
November 07, 2025	5th meeting in 2025 Board meeting	I. Motion for the Company's financial statements for Q3 2025. II. The Company's 2026 business plan. III. The Company's 2026 audit plan. IV. To approve for authorizing the Chairman to handle matters related to comprehensive credit facilities and derivatives trading facilities applied to financial institutions. V. The Company's remuneration to directors and managers for 2026. VI. Proposal to Designate an Independent Director as the Signatory for Internal Audit Reports. VII. Proposed Amendments to Certain Articles of the Company’s Articles of Incorporation. VIII. Proposal to Undertake Substantial Investment Using the Company’s Undistributed Earnings of FY2024.
March 10, 2026	1st meeting in 2026 Board meeting	I. Motion for 2025 distribution of remuneration to employees(Including Non-Managerial Employees) and directors. II. Motion for 2025 business report and financial statements. III. Motion for 2025 earnings distribution. IV. 2025 distribution of cash dividend from earnings. V. Proposal for Capitalization of 2025 Earnings through Issuance of New Shares. VI. To issue the Company's 2025 "Internal Control System Statement". VII. Motion for amendments to some provisions of the Company’s “Articles of Incorporation". VIII. Matters related to the convening of the 2026 annual general meeting of the Company. IX. Motion for evaluation of the independence of the Company's CPAs.

Date of meeting	Meeting name	Summary of important resolution topics
		X. The Company to formulate the procedures and general policies for prior consent of non-assurance services provided by Ernst & Young and its affiliates. XI. Definition and Scope of Non-Managerial Employees of the Company. XII. Proposal to Change the Company's Share Transfer Agency.

(X) In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, if any director or supervisor has expressed a dissenting opinion with respect to an important resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

IV. Information on CPA fees:

(I) The amounts of the audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services:

Unit: NTD thousand

Accounting Firm	Name of CPA	CPA audit period	Audit fee	Non-audit fees (Note)	Total	Remarks
Ernst & Young Global Limited	Yao, Shih-Chieh	2025.01.01~2025.12.31	2,400	148	2,548	
	Hung, Kuo-Sen	2025.01.01~2025.12.31				

(Note): The non-audit fee refers to the payment for the company's business registration and tax signature report.

(II) If audit fees for the change of accounting firms paid in the year is less than the previous year, the amount of the audit fees before and after the change and the reason shall be disclosed: None.

(III) If the audit fees decreased by 10% or more on a year-to-year basis, the decreased amount, percentage and reason of the audit fees shall be disclosed: None.

V. Information on replacement of CPAs: None.

VI. The company's chairman, general manager or any officers in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliated enterprise of such accounting firm: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

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

Unit: shares

Job title	Name	2024		2025		Up to March 27, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Director	GUANGZHAO INVESTMENT CO.,LTD.	158,518	-	-	-	-	-
	Legal Representative：Wan Cheng-Chien	418,000	-	(100,000)	-	140,000	-
Director	Hwang, Chen-An	9,110	-	-	-	-	-
Director	Fang Chuang, Hsiu-Shu	10,050	-	9,000	-	-	-
Director(Note1)	Chien Tzu-Hsun	273,177	-	-	-	-	-
Major shareholder	TONGJI INTERNATIONAL INVESTMENT CO.,LTD.	444,494	-	(249,000)	-	-	-
Independent Director(Note2)	Chen, Yung-Chih	-	-	-	-	-	-
Independent Director(Note3)	Tan, An-Hung	-	-	-	-	-	-
Independent Director	Chen, Chih-Chang	-	-	-	-	-	-
Independent Director(Note4)	Chen,Yao-Tsung	-	-	-	-	-	-
Independent Director(Note5)	Chen, Jia-Lin	-	-	-	-	-	-
Independent Director(Note6)	Huang, Ya-Ping	-	-	-	-	-	-
officer	Kuo Tzu-Yuan	40,190	-	-	-	-	-
officer	Chen, Chi-Cheng	30,000	-	-	-	-	-
officer	Su, Chun- Hsien	24,300	-	(26,000)	-	-	-
officer	Chen Ya-Hui	11,990	-	-	-	-	-

Note1-3: Retired on May 23,2025.

Note4-6:Elected on May 23,2025.

(II) Information that the counterparty of equity transfer is a related party: None.

The equity transferred to the counterparty by a director and shareholder with a stake of more than 10% in 2024, 2025, and 2026 as of the publication date of the annual report is summarized as follows: None.

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

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

March 27, 2026; unit: share/%

Name (Note1)	Shareholding		Shares held by spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or is a spouse or a relative within the 2nd degree（Note 3）		Remarks
	No. of shares	Shareholding ratio %	No. of shares	Shareholding ratio %	No. of shares	Shareholding ratio %	Name	Relationship	
TONGJI INTERNATIONAL INVESTMENT CO., LTD.	9,085,390	15.20	2,920,734	4.89	-	-	Synergies Enterprise Ltd.	The person in charge of the two companies is the same person	-
Representative：Wan Cheng-Chien	1,750,000	2.93							
Synergies Enterprise Ltd.	3,595,737	6.02	2,920,734	4.89	-	-	TONGJI INTERNATIONAL INVESTMENT CO.,LTD.	The person in charge of the two companies is the same person	-
Representative：Wan,Cheng-Chien	1,750,000	2.93							
GUANGZHAO INVESTMENT CO.,LTD.	3,328,879	5.57	1,750,000	2.93	-	-	Synergies Enterprise Ltd.	The heads of the two companies are spouses	-
Representative：Chien Tzu-Hsun	2,920,734	4.89					TONGJI INTERNATIONAL INVESTMENT CO.,LTD.	The heads of the two companies are spouses	-
Chien Tzu-Hsun	2,920,734	4.89	1,750,000	2.93	-	-	GUANGZHAO INVESTMENT CO.,LTD.	Investment company as a responsible person	-
Wan Cheng-Chien	1,750,000	2.93	2,920,734	4.89	-	-	Chien Tzu-Hsun	Spouse	-
Wan Yi-Hsuan	1,226,249	2.05	-	-	-	-	Chien Tzu-Hsun	Relatives Within 2nd Degrees	-
Wan Cheng-Ying	1,157,935	1.94	-	-	-	-	Chien Tzu-Hsun	Relatives Within 2nd Degrees	-
Hu Wan, Mei-Li	1,103,153	1.85	-	-	-	-	Wan Cheng-Chien	Relatives Within 2nd Degrees	-
Wan Cheng-Jui	1,086,374	1.82	-	-	-	-	Chien Tzu-Hsun	Relatives Within 2nd Degrees	-
Fang Chuang, Hsiu-Shu	598,050	1.00	-	-	-	-	None	None	-

Note1：The top 10 shareholders should be listed in full, and the names of corporate shareholders and representatives should be listed separately。

Note2：The shareholding ratio(%) is calculated as the total numbers of shares respectively held by the shareholder, their spouse and minor children, or through nominees.

Note3：Disclose the relationship among the above-listed shareholders, including corporate/juristic person shareholders and natural person shareholders, in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors, officers, and any companies controlled either directly or indirectly by the company shall be aggregated to calculate the combined shareholding ratio:

Combined shareholding ratio

Unit: shares; %

Invested business (Note)	The Company's investment		Investment by directors, supervisors, officers and any companies controlled either directly or indirectly by the company		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Cavalier Holding Co., Ltd.	8,500,000	100%	-	-	8,500,000	100%

Note: Investments accounted for using the equity method.

III. Fundraising

I. Capital and shares

(I) Sources of share capital

1. Types of shares

March 27, 2026; Unit: Share

Type of shares	Authorized share capital					Remarks
	Outstanding shares			Unissued shares	Total	
	Listed on TWSE (TPEX)	Not listed on TWSE (TPEX)	Total			
Common stock	59,772,300	-	59,772,300	40,227,700	100,000,000	The Company's shares are listed on TPEX

2. Formation of share capital

March 27, 2026; Unit: Share; NT$

Year/month	Issue price (NTD)	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Capital paid in by assets other than cash	Others
1984.05	10	600,000	6,000,000	600,000	6,000,000	Establishment in cash	None	Note 1
1989.01	10	2,700,000	27,000,000	2,700,000	27,000,000	Establishment in cash	None	Note 2
1999.05	10	16,000,000	160,000,000	16,000,000	160,000,000	Capital increase in cash	None	Note 3
1999.10	10	19,200,000	192,000,000	19,200,000	192,000,000	Capital increase from earnings	None	Note 4
2001.12	10	21,120,000	211,200,000	21,120,000	211,200,000	Capital increase from earnings	None	Note 5
2002.06	15	36,000,000	360,000,000	36,000,000	360,000,000	Capital increase in cash	None	Note 6
2003.12	15	36,600,000	366,000,000	36,600,000	366,000,000	Capital increase in cash	None	Note 7
2005.12	10	38,430,000	384,300,000	38,430,000	384,300,000	Capital increase from earnings	None	Note 8
2009.11	10	38,500,000	385,000,000	38,500,000	385,000,000	Capital increase in cash	None	Note 9
2012.01	16.5	60,000,000	600,000,000	40,000,000	400,000,000	Capital increase in cash	None	Note 10
2012.08	30	60,000,000	600,000,000	44,000,000	440,000,000	Capital increase in cash	None	Note 11
2014.09	10	60,000,000	600,000,000	49.280,000	492,800,000	Capital increase from earnings	None	Note 12
2015.08	10	60,000,000	600,000,000	51,744,000	517,440,000	Capital increase from earnings	None	Note 13
2016.03	26	60,000,000	600,000,000	56,570,000	565,700,000	Capital increase in cash	None	Note 14

Year/month	Issue price (NTD)	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Capital paid in by assets other than cash	Others
2016.11	18.5	60,000,000	600,000,000	56,690,000	566,900,000	Exercise of employee stock options	None	Note 15
2017.03	18.5	60,000,000	600,000,000	56,720,000	567,200,000	Exercise of employee stock options	None	Note 16
2017.05	18.1	60,000,000	600,000,000	56,735,000	567,350,000	Exercise of employee stock options	None	Note 17
2017.11	18.1	60,000,000	600,000,000	56,840,000	568,400,000	Exercise of employee stock options	None	Note 18
2018.11	18.1	60,000,000	600,000,000	56,890,000	568,900,000	Exercise of employee stock options	None	Note 19
2019.05	18.1	60,000,000	600,000,000	56,970,000	569,700,000	Exercise of employee stock options	None	Note 20
2022.07	10	100,000,000	1,000,000,000	56,970,000	569,700,000	Increase in authorized share capital	None	Note 21
2024.09	10	100,000,000	1,000,000,000	59,772,300	597,723,000	Capital increase from earnings	None	Note22

Note 1: Approved by the Construction Department of Taiwan Province with Letter No. 73-Jian-3-93616 dated May 7, 1984.

Note 2: Approved by the Construction Department of Taiwan Province in Letter No. 7-8-Jian-3-Wu-102559 dated January 13, 1989.

Note 3: Approved by the Ministry of Economic Affairs in Letter Jing-(088) Shang-Zhi No. 088117177 dated May 20, 1999.

Note 4: Approved by the Ministry of Economic Affairs in Letter Jing-(088) Shang-Zhi No. 088137628 dated October 15, 1999.

Note 5: Approved by the Ministry of Economic Affairs in Letter Jing-(90)-Shang-Zi No. 09001473060 dated December 3, 2001.

Note 6: Approved by the Ministry of Economic Affairs in Letter Jing-Shou-Shang-Zi-09101199250 dated June 6, 2002.

Note 7: Approved by the Ministry of Economic Affairs in Letter Jing-Shou-Zhong-Zi-09232844651 dated December 22, 2003.

Note 8: Approved by the Ministry of Economic Affairs in Letter Jing-Shou-Zhong-Zi-09433416470 dated December 29, 2005.

Note 9: Approved by the Ministry of Economic Affairs in Letter Jing-Shou-Zhong-Zi-09833473780 dated November 25, 2009.

Note 10: Approved by the Ministry of Economic Affairs in Letter Jing-Shou-Zhong-Zi-10131518910 dated January 5, 2012.

Note 11: Approved by Tainan City Government in Letter Fu-Jing Gong-Shang-Zi-10105478490 dated August 21, 2012.

Note 12: Approved by Tainan City Government in Letter Fu-Jing Gong-Shang-Zi-10305279640 dated September 5, 2014.

Note 13: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-10401198330 dated September 16, 2015.

Note 14: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-10501055970 dated March 28, 2016.

Note 15: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-10501274870 dated November 29, 2016.

Note 16: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-10601033450 dated March 17, 2017.

Note 17: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-10601066290 dated May 23, 2017.

Note 18: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-10601160810 dated November 24, 2017.

Note 19: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-10701147000 dated November 21, 2018.

Note 20: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-10801059660 dated May 24, 2019.

Note 21: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-11101104800 dated July 12, 2022.

Note 22: Approved by the Ministry of Economic Affairs in Letter Jin-Shou-Shang-Zi-11330163460 dated September 9, 2024.

3. Information Relating to the Self Registration system: None.

(II) List of major shareholders (shareholders holding 5% or more of the shares or names, numbers of shareholding and ratio of the top 10 shareholders)

March 27, 2026

Shares Name of major shareholder	Number of shares held (shares)	Shareholding ratio (%)
TONGJI INTERNATIONAL INVESTMENT CO., LTD.	9,085,390	15.20%
Synergies Enterprise Ltd.	3,595,737	6.02%
GUANGZHAO INVESTMENT CO., LTD.	3,328,879	5.57%
Chien Tzu-Hsun	2,920,734	4.89%
Wan Cheng-Chien	1,750,000	2.93%
Wan Yi-Hsuan	1,226,249	2.05%
Wan Cheng-Ying	1,157,935	1.94%
Hu Wan, Mei-Li	1,103,153	1.85%
Wan Cheng-Jui	1,086,374	1.82%
Fang Chuang, Hsiu-Shu	598,050	1.00%

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

1. Dividend policy

If the Company makes a profit, 1% to 5% of the profit shall be appropriated as remuneration to employees, and no more than 5% of the profit shall be appropriated as remuneration to directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. Remuneration to employees may be paid in shares or in cash, and the remuneration may include employees of subordinate companies who meet certain criteria. The Board of Directors is authorized to formulate the relevant regulations. If the Company has annual earnings, they are distributed in the following order. I. Tax payment. II. Making up for losses. III. Setting aside 10% of such earnings as a legal reserve. However, when the accumulated legal reserve reaches the amount of the Company's capital, this shall not apply. IV. Providing or transferring special reserve for other purposes as required by law or as ordered by the competent authority. V. For the remaining balances, adding the undistributed earnings of prior years, may be retained as earnings. The Board of Directors shall prepare a proposal for the distribution of earnings in accordance with the dividend policy of Article 21. In the case of distributing the earnings in the form of new shares, a proposal shall be submitted to the shareholders' meeting for resolution. In accordance with Paragraph 5, Article 240 of the Company Act, the Company authorizes the Board of Directors to have a resolution adopted at a meeting attended by at least two-thirds of all directors and by a majority of the directors present for the distribution of all or a portion of the dividends and bonuses payable, or the legal reserve and capital surplus as set forth in Paragraph 1, Article 241 of the Company Act and shall be reported to the shareholders’ meeting.

The Company's dividend policy is to evaluate the Company's future capital budget, and plan future capital requirements, financial structure and earnings. Therefore, the dividend payment ratio is based on balancing cash and stock dividends, with cash dividends of at least 20% of the total dividends.

2. The proposed (resolved) dividend distribution for the current year:

The motion for 2025 earnings distribution was approved by the Board of Directors on March 10, 2026, but not yet been approved by the general shareholders' meeting. The items of the earnings appropriation are as follows:

(1)Cash dividends to shareholders: 11,954,460(NTD 0.2 per share).

(2)Stock dividends to shareholders: 29,886,150(NTD 0.5 per share).

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.

(V) Remuneration to employees and directors

1. The percentages or ranges with respect to employee bonuses and director remuneration as set forth in the Company's Articles of Incorporation:

   According to Article 20 of the Company's Articles of Incorporation: If the Company makes a profit, 1% to 5% of the profit shall be appropriated as remuneration to employees, and no more than 5% of the profit shall be appropriated as remuneration to directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. Of the amount allocated for employee compensation as mentioned above, 20% to 40% shall be distributed to basic-level employees. Remuneration to employees may be paid in shares or in cash, and the remuneration may include employees of subordinate companies who meet certain criteria. The Board of Directors is authorized to determine the terms and method of distribution. The preceding two matters shall be resolved by the Board of Directors and reported to the shareholders' meeting.If the Company has annual earnings, they are distributed in the following order. I. Tax payment. II. Making up for losses. III. Setting aside 10% of such earnings as a legal reserve. However, when the accumulated legal reserve reaches the amount of the Company's capital, this shall not apply. IV. Providing or transferring special reserve for other purposes as required by law or as ordered by the competent authority. V. For the remaining balances, adding the undistributed earnings of prior years, may be retained as earnings. The Board of Directors shall prepare a proposal for the distribution of earnings in accordance with the dividend policy of Article 21. In the case of distributing the earnings in the form of new shares, a proposal shall be submitted to the shareholders' meeting for resolution. In accordance with Paragraph 5, Article 240 of the Company Act, the Company authorizes the Board of Directors to have a resolution adopted at a meeting attended by at least two-thirds of all directors and by a majority of the directors present for the distribution of all or a portion of the dividends and bonuses payable, or the legal reserve and capital surplus as set forth in Paragraph 1, Article 241 of the Company Act and shall be reported to the shareholders' meeting.

   According to Article 21 of the Company's Articles of Incorporation: The Company's dividend policy is to evaluate the Company's future capital budget, and plan future capital requirements, financial structure and earnings. Therefore, the dividend payment ratio is based on balancing cash and stock dividends, with cash dividends of at least 20% of the total dividends.

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

   The Company estimates the amount of remuneration to employees and directors based on the net profit after tax of the current year, after taking into account factors such as legal reserve, and based on the percentage specified in the Articles of Incorporation, and recognized as operating expenses for the current year. However, if subsequently, the discrepancy, if any, between the actual distributed amount resolved by the shareholders' meeting and the estimated amount shall be recognized as profit or loss for the year actually distributed.

3. Status of distribution of remuneration approved by the Board of Directors:

   (I) Amount of remuneration to employees and remuneration to directors distributed in cash or stocks: If there is any discrepancy between the amount and the estimated amount of the expense recognized, the discrepancy, cause and treatment status shall be disclosed:

As approved by the Board of Directors on March 10, 2026, the 2025 employee remuneration amounting to NTD 2,460,000 and director remuneration amounting to NTD 1,800,000 were paid in cash.

Employee remuneration and director remuneration were estimated to be NTD 2,300,000 and NTD 1,800,000 respectively. The difference between the actual employee remuneration and director remuneration and the estimated amount was NTD 160,000. The difference is due to estimation difference. The difference will be adjusted to the current profit and loss in 2026.

(II)The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial statements or individual financial statements for the current period and total employee remuneration:

The proposed remuneration for employees is expected to be paid in cash and there is no stock bonus, so this valuation is not applicable.

4. The actual distribution of employee and director remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director remuneration, the discrepancy, cause, and how it is treated.

In 2025, the Company actually distributed NTD 6,000,000 as 2024 remuneration to employees and NTD 3,600,000 as remuneration to directors, totaling NTD 9,600,000. The above proposed amount for distribution and the estimated figure in 2024 amounted to NTD 9,600,000. The difference between the actual amount distributed and the estimated amount of NTD 0 was recognized as profit or loss in the year of actual distribution.

(VI) Status of the company repurchasing its own shares**:** (completed)

March 27, 2026

Repurchase period	1st time
Purpose of repurchase	Transfer of shares to employees
Repurchase duration	April 1, 2020 - May 20, 2020
Repurchase range price	13.35~16.60
Type and quantity of shares repurchased	Common stock 924,000 shares
Amount of shares repurchased	14,115,366
Ratio of repurchased shares to expected repurchased shares (%)	30.80%
Quantity of canceled and transferred shares	Transferred 924,000 share
Cumulative quantity of the Company's shares held	0 shares
The ratio of the number of the Company's shares held to the total number of issued shares (%)	0%

II. Issuance of corporate bonds (including overseas corporate bonds)**:** None.

III. Issuance of preferred shares**:** None.

IV. Issuance of global depository receipts**:** None.

V. Issuance of employee share subscription warrants:

(I) Company's employee stock options not yet mature, and effect on shareholders' equity: None.

(II) Names of the top ten employees holding employee subscription warrants authorizing purchase of the most shares, along with the cumulative number of warrants exercised by these ten employees, as of the date of publication of the annual report: None.

VI. Issuance of new restricted employee shares: None.

VII. Mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Status of implementation of capital allocation plan: None.

IV. Operational Status

I. Scope of operation

(I) Scope of business

1. Main contents of the business

The Company's main business items include production, research and development, and sales of automotive air-conditioning modules, automotive and motorcycle cooling modules, and electromechanical cooling modules.

2. Weight of business

Unit: NTD thousand; %

By product	2025		2024	
	Sales amount	Percentage	Sales amount	Percentage
Automotive air conditioning module	562,940	70.15%	644,571	81.38%
Cooling module	234,377	29.20%	138,591	17.50%
Others	5,227	0.65%	8,881	1.12%
Total	802,544	100.00%	792,043	100.00%

3. The Group's current products (services)

(I) Automotive air-conditioning modules: including condensers, radiator cores, and evaporators for automotive air-conditioning. The products cover a variety of automotive brands around the world.

(II) Cooling modules for automobiles and motorcycles: including radiators and oil coolers for automobiles and motorcycles.

(III) Electromechanical cooling modules: cooling modules for electromechanical equipment.

(IV) Manufacturing, processing, and trading of heat exchangers for air-conditioning systems.

4. New products planned for development

(I) Radiator, condenser and cooler of new model/model/EV/HEV.

(II) High-efficiency, green, energy-saving and environmentally friendly thermal modules.

(III) Heat sinks for commercial air conditioners, servers, electrical and mechanical products and energy storage device.

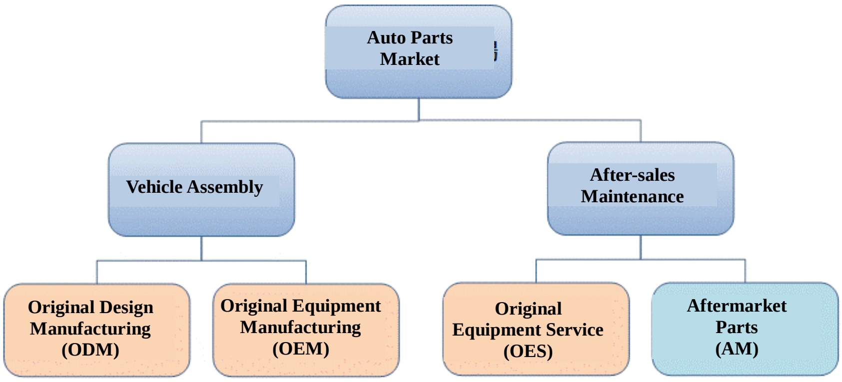
(IV) Application of heat dissipation in other IT/related industries.

(II) Industry overview

1. Current situation and development of the industry

The automotive industry is a traditional capital-intensive and technology-intensive industry with very complex production processes. Therefore, the industry’s supply chain system covers a wide range of functions and the division of labor of the corporate synergy development system is quite obvious. An automobile is made with more than 30,000 parts depending on its grade and equipment, and these parts involve a wide range of industries, including many important industries such as machinery, electrical machinery, electronics, chemicals, iron and steel, ceramics, glass, plastics and petroleum. Given this, manufacturers in the automotive industry are closely related to and influenced by each other. The manufacturing process includes casting, stamping, forging, machining and heat treatment. After passing the quality inspection, the automobiles are transported to the central plant for body welding, painting, pre-assembly of some parts and components and other assembly work, and finally the whole vehicle is assembled. Many manufacturing processes are involved in making an automobile. An automobile must pass a variety of different conditions of inspection and testing standards before leaving the factory. After passing the test, the production of a safe and reliable automobile is considered complete.

Automotive parts and components can be divided into parts used in original factory assembly and parts used in after-sales service garages. Parts used in original factory assembly are closely related to the sales of new vehicles and can be divided into Original Design Manufacturing (ODM) and Original Equipment Manufacturing (OEM), which are all original parts used in new vehicles. The main customers of the parts manufacturer are vehicle manufacturers, with the supply system formed centering on the vehicle manufacturers. From top to bottom, they are central OEMs, Tier 1 suppliers (Tier 1 manufacturers), Tier 2 suppliers (Tier 2 manufacturers) and Tier 3 suppliers (Tier 3 manufacturers). After-sales maintenance parts can be divided into Original Equipment Service (OES) and Aftermarket (AM) parts. AM parts are usually used for repair, maintenance and modification, with products mainly distributed through insurance companies and distributors.

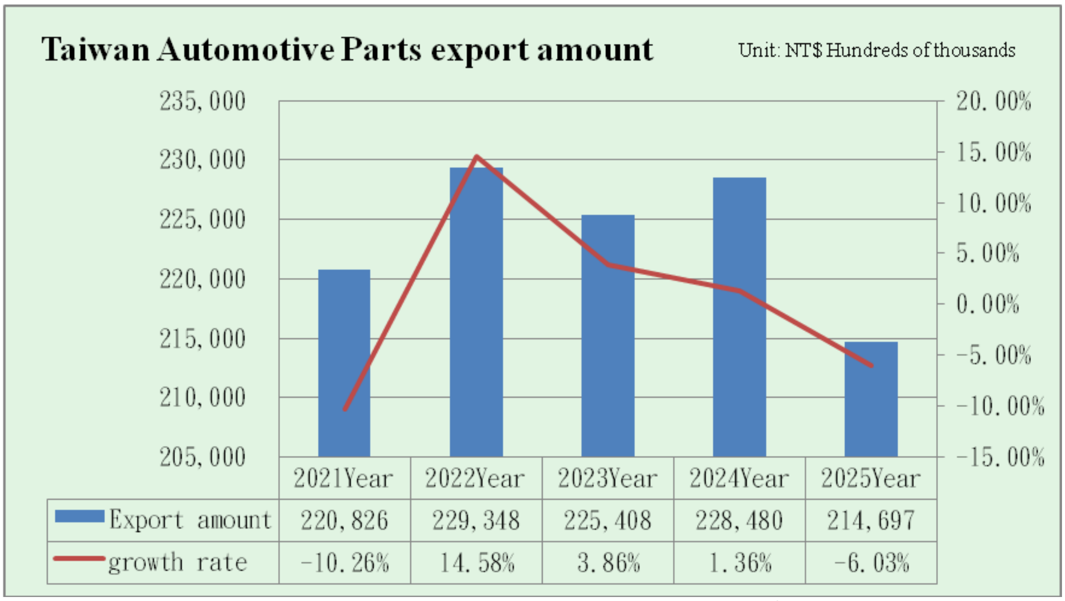


Source: IEK; Organized by Man Zai

(I) Overview of Taiwan's auto parts industry

At present, there are nearly 3,000 domestic auto parts manufacturers, of which only about 300 are OEMs. Most of the auto parts manufacturers focus on the After Market. After years of hard work, the development of Taiwan's auto industry has shifted from production-oriented to a small number of diversified products. The product development energy has already reached a certain scale. With the continuous investment in R&D and improvement of production technology, the quality of vehicle manufacturing is close to the level of advanced countries. Differentiated products have been introduced to meet the needs of consumers, coupled with the efforts to enhance customer satisfaction, Taiwan-made vehicles have been generally recognized by domestic consumers. Furthermore, customer satisfaction has been recognized by the domestic consumers for the domestically produced cars, and the market share is increasing year by year.

As international carmakers have stricter requirements and control over the quality of auto parts, coupled with transportation problems, and the fact that the domestic car market is saturated, it is difficult to expand the domestic market demand. This leads to the market for parts manufacturers cooperating with the production and sales of vehicle OEMs relatively limited. In recent years, Taiwan's auto parts manufacturers have been actively expanded their exports to reduce the profit margins for auto parts manufacturers. Although some parts manufacturers have entered the global supply chain of international Taiwan's auto parts industry is mainly based on the small and diverse production niche, so it forms an advantage for developing the After Market. At present, Taiwan's auto parts and components are mostly export-oriented, with North America and Europe as the main markets.

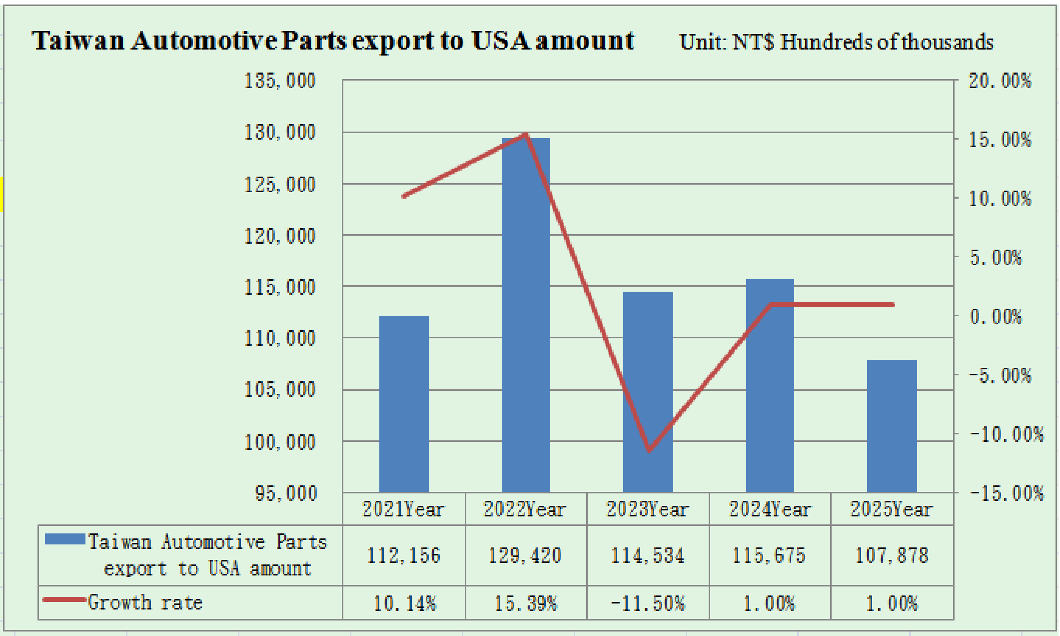


Source: Customs Import and Export Statistics, and Taiwan Transportation Vehicle Manufacturers Association.

Taiwan's auto parts industry, heavily reliant on exports, experienced a surge in the aftermarket (AM) segment during 2021-2022. The post-pandemic car buying boom, coupled with a global chip shortage, drove US and European consumers toward used vehicles, fueling demand for repair parts. Consequently, Taiwan's exports grew significantly, bolstered further in 2022 by a favorable exchange rate (depreciation of the TWD against the USD), Due to weakening demand, export value decreased in 2023. As market demand stabilized, export performance saw a slight recovery in 2024. However, affected by factors such as exchange rate fluctuations and tariffs, export value in 2025 is expected to decrease by approximately 6.03% compared to 2024. Overall, although Taiwan's automobile component exports have experienced fluctuations due to the external environment in recent years, the magnitude of these changes has been relatively limited, demonstrating the industry's stability and anti-cyclical resilience.

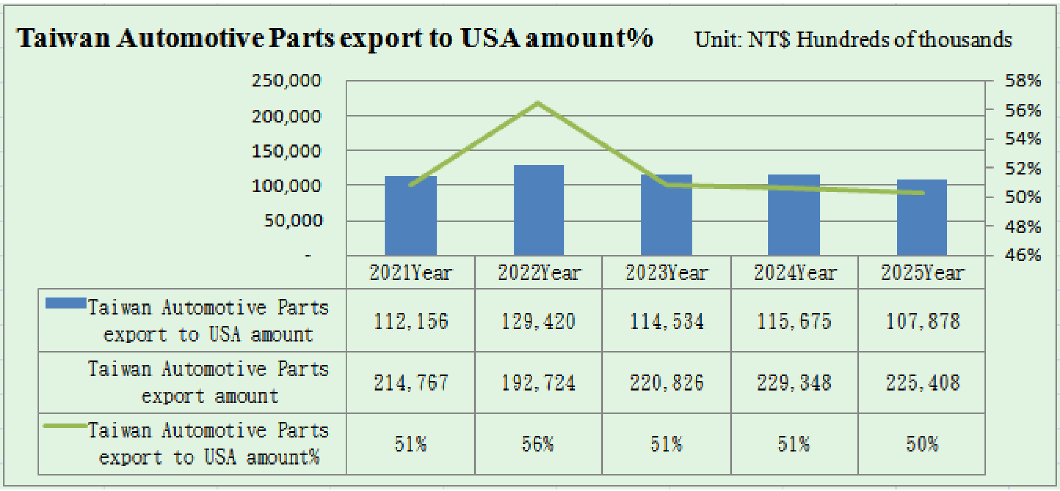
(II) Overview of the U.S. auto parts industry

The U.S. is the largest exporter of Taiwan's auto parts industry. In 2024, due to the uneven pace of inventory destocking in European and American factories resulted in a steady but modest increase in exports. Taiwan's auto parts and components mostly center on after-sales maintenance which have benefited from the continued increase in the number of vehicles in the U.S., and the proportion of exports to the U.S. is expected to continue to grow in the future.



	2021Year	2022Year	2023Year	2024Year	2025Year
🟦 Taiwan Automotive Parts export to USA amount	112,156	129,420	114,534	115,675	107,878
— Growth rate	10.14%	15.39%	-11.50%	1.00%	1.00%

Source: Customs Import and Export Statistics, and Taiwan Transportation Vehicle Manufacturers Association.



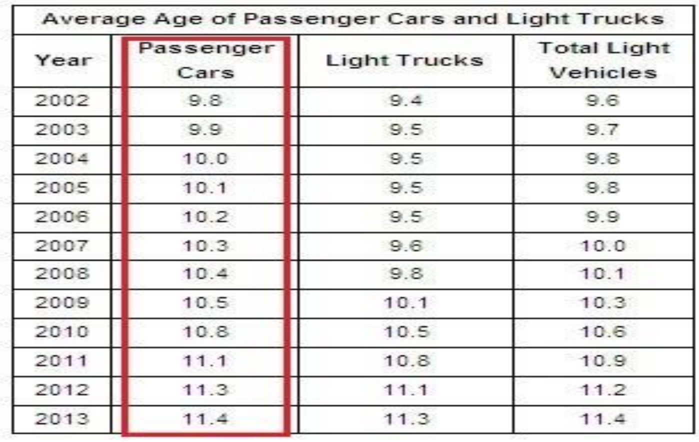
	2021Year	2022Year	2023Year	2024Year	2025Year
🟦 Taiwan Automotive Parts export to USA amount	112,156	129,420	114,534	115,675	107,878
Taiwan Automotive Parts export amount	214,767	192,724	220,826	229,348	225,408
— Taiwan Automotive Parts export to USA amount%	51%	56%	51%	51%	50%

Source: Customs Import and Export Statistics, and Taiwan Transportation Vehicle Manufacturers Association.

According to the analysis on Taiwan's automotive after-sales parts industry by the Automotive Research and Testing Center (ARTC), the ratio of original equipment (OES) to AM parts in the US after-sales service market is about 8:2. Nearly 80% of consumers choose the OES for car maintenance, while only 14% of the spare parts are AM; the remaining 6% are recycled parts when people have their cars repaired. In the US, as nearly 90% people insure their cars and 87% of the repair cost is paid by insurance companies, insurance companies have a certain influence on the auto collision repair market. In recent years, repair costs have been rising, coupled with the increasing competition in the car insurance market, insurance companies have begun to use price-competitive AM products in order to control repair costs. This in turn will increase the market demand for AM products.

Since 2002, the average age of vehicles in the United States has been increasing year by year. Especially after the financial crisis, Americans tried to reduce unnecessary auto loans. This phenomenon has significantly reduced the speed of purchasing new cars and extended the service years. By 2013, the average vehicle age in the U.S. had reached 11.4 years, and the overall vehicle market had entered a mature stage. The car ownership will maintain at about 250 million units. While there are still many old vehicles, the North American Aftermarket has maintained a growth rate of nearly 10% every year. The Company's utilization rate of AM crash components continues to increase, and the market share of the After Market in the United States will increase year by year, which is beneficial to the future development of domestic component manufacturers.

Average age of vehicles in the U.S. from 2002 to 2013



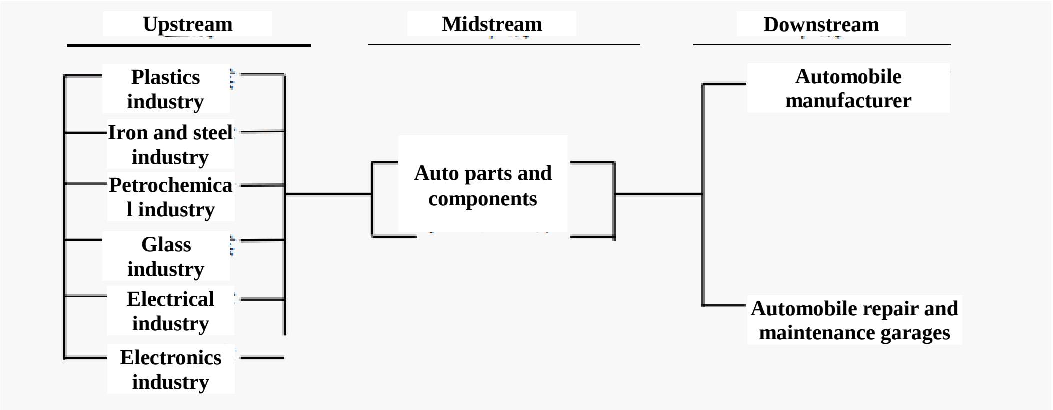
Average Age of Passenger Cars and Light Trucks

Year	Passenger Cars	Light Trucks	Total Light Vehicles
2002	9.8	9.4	9.6
2003	9.9	9.5	9.7
2004	10.0	9.5	9.8
2005	10.1	9.5	9.8
2006	10.2	9.5	9.9
2007	10.3	9.6	10.0
2008	10.4	9.8	10.1
2009	10.5	10.1	10.3
2010	10.8	10.5	10.6
2011	11.1	10.8	10.9
2012	11.3	11.1	11.2
2013	11.4	11.3	11.4

Source: Polk Research, USA; Organized by Man Zai

2. Correlation between the upstream, midstream, and downstream suppliers in the industry

The automotive industry is a comprehensive industry with high precision, technology and high integration. The production process is complex and involves a wide range of fields. There are more than 100 satellite manufacturers involved, which requires cooperation among various industries. The number of automotive parts and components is large and an automobile is made with more than 30,000 parts. The demand for auto parts and components comes from the assembly of automobiles by automobile assemblers for sale in new cars, and the replacement of parts by after-sales service providers. The industry covers a wide range of industries. The Company's main products are air-conditioning modules and cooling modules for automotive parts and components, which are the midstream of the automotive industry. The upstream suppliers are the plastics, iron and steel petrochemicals, glass, iron and steel, rubber, motors, and electronics industries, and the downstream suppliers are the automobile assembly factories and automobile repair and maintenance garages. The correlation map between the up-stream, mid-stream, and down-stream industries of the auto parts industry is illustrated as follows:



Source: ARTC; Organized by Man Zai

3. Product development trends

(I) Growth potential and competitive threat of emerging markets

With the rapid take-off of the emerging market economy, the demand for automobiles in emerging countries such as China, India, Russia, Brazil, and ASEAN is increasing day by day. The huge populations of these countries have shown growth potential, leading to rapid growth in the sales and ownership of automobiles, becoming the main driver of global demand for finished vehicles and auto components. The huge domestic demand market in these countries has also driven automobile manufacturers to localize their car manufacturing. In order to reduce costs, car manufacturers have gradually moved their car production bases from high-cost countries such as North American and European countries to low-cost countries such as China, India, and Brazil. With the advantages of low land and labor costs, and the government's determination to cultivate the development of the auto industry, these emerging countries have formed a highly competitive supply system in the automotive component industry. At present, the mold development technology, manufacturing process capacity and product quality accumulated by Taiwanese manufacturers are better than those in other emerging countries. In addition, emerging countries generally do not attach much importance to the after-sales service market, so the phenomenon of "emphasizing production over service" has arisen. Meanwhile, the main international sales of Taiwan's auto parts and components are the European and American Aftermarket, and domestic manufacturers are familiar with the operation mode of the After Market system. In the next few years, the automotive after-sales maintenance market will continue to grow steadily. Therefore, Taiwanese manufacturers should devote themselves to improving product R&D and manufacturing standards, create product differentiation, and ensure their leading position in the global After Market.

(II) Aftermarket parts gradually replace the original parts

In recent years, European and American auto parts quality certification systems such as CAPA and THATCHAM have gradually taken shape, and the proportion of aftermarket parts in the automobile insurance maintenance system has continued to increase. With the State Farm lawsuit ended, European and U.S. insurance companies have legalized the use of aftermarket parts. Compared to the OEM parts, aftermarket parts have a price competitive advantage. It is expected that Taiwan's auto parts manufacturers will be able to gradually expand their market share.

(III)In response to increasingly stringent automotive safety standards and environmental protection regulations, automotive components will develop toward intelligence, electrification, and lightweight development. With automotive intelligence technology gradually being applied, consumers are increasingly demanding for automotive driving safety. In order to meet the needs of consumers, the world's major car manufacturers have introduced the latest technologies such as various sensors, tire pressure monitoring systems, lane departure warning system. These electronic components are used to sense changes in the surrounding environment, and then make intelligent analysis and judgments to reduce the burden on driving, enabling vehicles to gradually develop toward "intelligence". In addition, in response to the trend of energy saving and carbon reduction, the governments of Europe, the United States and Japan have recently become more stringent in terms of fuel economy. The European governments have stipulated that the carbon dioxide emission of automobiles will be reduced from

120g/km in 2015 to 95g/km in 2020, and even higher to 70g/km by 2025; while the US and Japan demanded to reduce carbon dioxide emission to 140g/km in 2015. Therefore, major international automakers are actively developing hybrid or purely electric vehicles in order to meet the trend of environmental protection. In addition, a lightweight vehicle body is also one of the necessary conditions to improve fuel economy. As the topic of lightweight vehicles becomes more and more important, the car manufacturers in Europe, the United States and Japan are competing to increase the percentage of use of lightweight materials in vehicles, in order to reduce fuel consumption and hydrocarbon emissions.

4. Market competition

The Company's current main products are condensers, evaporators and radiators used in automobile air-conditioning systems and cooling systems. Currently, the main domestic competitors are Taiwan Calsonic Co., Ltd. and Cryomax Cooling System Corp.

At present, domestic manufacturers of condensers, evaporators, and radiators can be divided into two categories: OEM and AM. OEMs mainly adopt the production mode of small sample and large quantity, mainly due to that OEMs mostly accept the stable and large quantity of orders from supply chain system of the original car manufacturers, and are different from AM factories in terms of the number of products, sales model and production line planning. The future sales targets and regions may be regulated by the original car manufacturer contract. Therefore, it is not easy for OEMs to enter the AM field. Otherwise, as OEMs are protected by the closed supply chain system and investment structure of international automakers, it is not easy for AM manufacturers to break into the closed supply chain system of OEMs.

The Company is one of the few manufacturers in the industry that can combine the OEM and AM (Aftermarket). This is mainly due to that the Company and the tier 1 suppliers of automobile manufacturers have been jointly developing the cooling and air-conditioning parts for many models in the early stage, making us a designated OEM for carmakers such as China Motor Corporation (CMC). In recent years, in addition to joining forces with the OEM products of domestic auto manufacturers, the Company has successfully transformed itself to focus on the after-sales service of the automotive After Market and electromechanical cooling products. With a database of more than 5,000 products accumulated over a long period of time, we have mastered the skilled technology of aluminum alloy smelting, extrusion and post-treatment processing technology, produce key parts and components and quickly develop new products. The quality of the Company's products has been well-recognized by domestic and foreign automobile distribution channels and maintenance systems.

(III) Technology and R&D overview

1. Technical level of the business and research and development

The Company specializes in automotive cooling systems, with products not only meeting the basic operating functions but also catering for the requirements of various harsh environments. In addition to meeting the quality requirements of IATF 16949 (valid for 20240902 - 20270901), our products also meet the environmental protection requirements System ISO-14001 (2015 edition) and occupational safety and health ISO-45001, the life and quality of products are also the technical focus of product development. We adhere to a cautious attitude and multi-party verification model for product development, using advanced automatic test and laboratory equipment, supplemented by wind tunnel test equipment and condenser performance testing machines to test and verify products. Engineering analysis software and 3D/CAD computer-assisted design are used for condensers, refrigerators and related cooling modules and systems, ensuring that the life and quality of our products meet customer requirements, with the aim to exceed industry standards in terms of quality.

At the same time, the Company has introduced the project method to develop new products, and its development experience and various engineering technical data are archived and managed to facilitate the accumulation and inheritance of subsequent development operations experience. This will help the Company achieve the continuous improvement of its technology level. In addition, the product data management (PDM) system platform was introduced to shorten the time to market, improve design efficiency, achieve overall quality improvement, and make technology integration more rigorous. Furthermore, the Company also actively participates in various government projects, and cooperates or transfers technology with legal entities and academic institutions on a projects, obtaining relevant technical information and research and development results.

2. R&D expenses in the past five years and up to the publication date of the annual report

Unit: NTD thousand; %

Year	2024	2025	March 2026
R&D expenses	21,034	18,375	6,438
Net operating revenue	792,043	802,544	245,432
As a percentage of net revenue %	2.66%	2.29%	2.62%

3. Technologies or products successfully developed

The following products have been successfully developed by the Company in the past five years and up to the publication date of the annual report:

Year	R&D results	Main purpose
2020	1U/2U high power phase change siphon cooling module for Netcom switches	1U/2U Netcom 400G switch cooling module
	Water-cooling module for autonomous driving ECU	Develop ADAS water-cooling heat dissipation module for autonomous driving Level 3~Level 5 to improve ADAS computing efficiency and safety
	Autonomous driving battery water cooling/heat recovery system	Develop autonomous driving battery water cooling/heat recovery system to effectively improve heat dissipation efficiency. The recovered heat can be used for the heating system
	Immersed server cooling system working fluid recovery module	Develop a special working fluid recovery module for the heat dissipation system of immersed servers to effectively recover working fluid, reduce working fluid loss, and improve economic benefits
	High-power tower workstation low-noise liquid cooling module	Provision of low-noise, high-performance heat dissipation for large program calculation, graphics, and simulation high-end computer workstations to meet the needs of office engineers
2021	NCKU Formula Racing, motor and driver heat	The use of water-cooling heat dissipation enables the electric race car to accelerate from 0 to 100km in 3

Year	R&D results	Main purpose
	dissipation module	seconds. The heat energy generated by the motor and driver must be transferred to the outside atmosphere through the louvet fin in a short period of time. At the same time, it is necessary to balance the design with light weight and low wind resistance
	ddr5 water cooling for heat dissipation (5th generation double data synchronous dynamic random processing memory)	Starting from the closed system design concept, the radiator-pump-cold plate is miniaturized and lightweight, suitable for the over-frequency heat dissipation requirements of servers, working stations and gaming PCs
2022	Immersed AI server cabinet heat dissipation module	Development of large-scale immersed AI server cabinet system (>12U) cooling module to effectively solve the high temperature problem of internal heat sources such as CPU, GPU, and SSD
	1U high-efficiency computing server water cooling system	Development of a 1U high-efficiency computing server water cooling system to effectively solve the problem of heat dissipation in a 1U server with multiple CPUs and GPUs
2023	Air-cooling and energy-saving heat dissipation system for server cabinets	Development of a back door water-cooling system for computing server racks to effectively meet the demand for energy-saving servers
	High-efficiency water cooling system for AI server cabinets	The AI computing server of Large Language Model (LLM) can reach over 100kW heat dissipation, which requires the use of an in-row water-cooling system. We have successfully developed a high-performance side car water-cooling system that meets the heat dissipation requirement of AI/HPC servers over 100kW
2024	240kw high-efficiency water-cooled server Rack System	Developed the LTA (Liquid to Air) water cooling system for server cabinets to meet the 240 kW heat dissipation requirements of GB300 server cabinets
	Back-door air-cooled cabinet cooling system	The development of the back-door water-cooling system of the server cabinet reduces the thermal impact of the air-cooled cabinet on the computer room, reduces the power consumption of the air conditioner, and meets the energy-saving requirements
2025	kW-level two-phase air-cooled heatsink for 800G network servers	Networking server communication speeds upgraded to 800G, Chip thermal power has exceeded 1 kW (approx. 1.6 kW). Successfully developed a high-performance two-phase air-cooled heat sink. Addressing 1.6kW-level thermal management
	Developing Liquid Cooling System for 5U High-Density Servers	5U high-density server with capacity for 10 vertical node motherboards. Dual CPU Motherboard Cooling Requirements, The liquid cooling system consists of a pump, a radiator, fans, and a water block. Meet 4kW heat dissipation requirements

4. Current progress of the 2024 R&D plan, unfinished R&D plan, further investment funds,

and estimated time of mass production:

Unit: NTD thousand

Product or technology	Expected progress of mass production completion	Current progress	Expected additional expenditure
1. Electric vehicle thermal management technology 2. Design of air conditioning system for hybrid vehicles	2026/12	75%	25,000

The amount of R&D expenses has been gradually created according to the progress of new product development. With the growth of sales in the future, the annual R&D expenses will be progressively increased to support future R&D plans, increasing the Company's competitiveness in the market.

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

1. Short-term development plan

(I) Marketing plan

A. Analyze the characteristics of products or services used by end customers (combined with e-commerce sales) to identify competitive advantages and price points
B. Use the e-commerce platform to reach end consumers and promote brand image
C. Strengthen the application technology capability of new materials, observe customer needs, and develop products in line with market trends
D. Identify customers suitable for cross-selling and provide additional services in addition to our products
E. Utilize supply chain management and establish strategic alliances with upstream and downstream customers to obtain real-time market, industry, and product information, thereby shortening the process of product development and launch and capitalizing on market opportunities.

(II) Production plan

A. Use automated production technology, plan production lines, improve efficiency, reduce instability factors, and reduce production costs
B. Continue to improve the production process, shorten the processing time and lead time, and quickly respond to customer needs
C. Utilize the management of production history and production resources to improve quality standards
D. Establish a technology certification system for key manufacturing processes, improve personnel stability, and reduce quality variation

(III) R&D plan

A. Accelerate the modular design of mass products, improve the commonality of parts, and strengthen the cost competitiveness
B. Strengthen knowledge management, integrate existing data, share resources, and improve overall technical standards
C. Enhance design capabilities and extend system assembly matching design from body design

(IV) Human resources and IT planning

A. Enhance education and training to improve the quality and core competencies of employees
B. Utilize the information system to effectively integrate the Company's internal

resources and improve work efficiency

C. Introduce the PLM product life cycle management system

(V) Financial plan

A. Strengthen business management, reduce the risk of reversed accounts receivable and stagnant inventory, and actively increase the turnover rate of accounts receivable and inventory to improve the efficiency of capital use.

B. Introduce second-tier products to establish market segments and increase flexible quotation strategies

2. Mid- and long-term development plans

(I) Based on the existing heat transfer technology and mastery of the characteristics of aluminum alloy materials, the core technologies of welding, turning, extrusion, stamping and forging are extended to different applications or products, while working together with customers to develop cooling products for air conditioning, and mechanical and electrical and energy storage to create future growth momentum

(II) Enhance the professional knowledge training of employees and the collection and analysis of market information, commit to strengthening internal management to improve operating performance, and expand the sales business to the markets of China, ASEAN, the Middle East and Russia

(III) Vertically integrate the supply chain to facilitate the research and development of upstream, midstream and downstream products, effectively reduce costs, and improve product competitiveness.

(IV) The long-term plan will focus on full use of the capital market to obtain more fund-raising channels to support the operation and development, and to strengthen the financial structure

(V) Adhere to the concept of sustainable corporate management, through medium and long-term planning in many aspects, such as system introduction, talent expansion, technical level upgrade, machine equipment expansion, and product diversification development; continue to expand the scale of operation and create room for continuous growth in the future.

II. Overview of the market, production and sales

(I) Market analysis

1. Sales regions of product

Unit: NTD thousand; %

Year Sales region		2025		2024	
		Sales amount	%	Sales amount	%
Domestic sales		225,816	28.14	224,085	28.29
Export sales	Europe	102,692	12.80	136,205	17.20
	Americas	286,098	35.65	244,633	30.89
	Asia	137,433	17.12	137,200	17.32
	Others	50,505	6.29	49,920	6.30
	Subtotal	576,728	71.86	567,958	71.71
Total		802,544	100.00	792,043	100.00

2. Market share

The Company is a professional manufacturer of automotive air-conditioning and engine cooling system components. The Company’s revenue in 2025 and 2024 was NTD 802,544 thousand and NTD 792,043 thousand, respectively. The market share is less than 1%, which is mainly due to the wide variety of automotive parts and components, including body, engine, transmission, brakes, clutches, pedals, axles, gears, lights, and even chassis conductive systems. The engine heat dissipation system is only a small part of the auto parts.

3. Future supply, demand and growth of the market

As far as the automobile market is concerned, the global demand will remain stable or increase slightly in the next few decades, and the automobile industry will still be the locomotive of industrial development. Countries around the world are still actively developing automobile-related industries. Taiwan’s automobile parts and accessories exported worldwide include plastic parts, stamping metal parts, heat dissipation components, lights and tires, and other general maintenance parts and spare parts, among which AM is the main sales market. According to the market survey, the stable growth of Taiwan's auto parts export market is mainly due to the cost competitiveness and mold development technology. Coupled with the increased proportion of outsourcing procurement by major international manufacturers, including OEMs and after-sales market, Taiwan's related major manufacturers have benefited a great deal in recent years, and have also continued to expand the production scale.

Looking ahead to 2026, the global automotive market is expected to face headwinds due to high inflation, sustained high interest rates, and geopolitical conflicts. These uncertainties are increasing the financial burden on consumers, leading to a moderation in new car sales momentum in Europe and the United States. Against this backdrop, the continuously rising average vehicle age is driving maintenance and replacement demand, keeping the automotive aftermarket components market on a steady growth trend, with overall demand expected to surpass 2025 levels.

4. Competitive niche

(I) Strong R&D team and rich product category database

The Company is committed to the development, production and sales of condensers and evaporators for automobile air-conditioning systems and radiators for automobile engine cooling systems. From the mass production of related products in 1987, we have accumulated 30 years of industry information and operation databases. With the strong product category database and solid R&D team, the Company can quickly launch the corresponding automotive condensers, evaporators and radiators within 3 to 6 months after the launch of a new model.

(II) Strong customization ability

The Company is proficient in aluminum alloy smelting, extrusion and post-treatment processing technologies, and has a solid foundation in heat transfer technology and aluminum alloy material research. The Company is committed to continuous R&D and innovation of products and processes. Through the collaboration between the R&D department and suppliers, we can provide customized products according to customers' needs for research and development of new products and new processes.

(III) Multiple certifications passed

The quality of automotive components is particularly stringent as driving safety is involved. In order to improve our quality and technology, the Company spares no effort to obtain various professional certifications. So far, we have obtained IATF16949, ISO 14001:2015, ISO 45001:2018 and other quality management system certifications.

Item No.	Category	Starting and end MMDDYYYY	Remarks
1	ISO 14001：2015	2024/8/17~2027/8/17	Environmental management certification
2	ISO 45001：2018	2024/11/02~2027/11/02	Occupational health and safety management certification
3	IATF16949 : 2016	2024/09/01~2027/09/01	Quality Management System Requirements for Automotive Production and Relevant Service Parts Organizations

(IV) Rich experience in production, with the production capacity of small and diverse production

The Company has accumulated years of manufacturing experience, continuously improving production technology, and working with professional institutions to improve product production processes and introduce automated production equipment to shorten the process time and reduce manufacturing costs through production process transformation. The ability to design and develop molds by ourselves can effectively shorten the time of mold change, meet the needs of AM customers for a small variety of products, and further enhance the Company's competitiveness.

5. Favorable and unfavorable factors of development prospects and countermeasures

(I) Favorable factors

A. The auto market in China and Southeast Asia is growing rapidly

According to the research data of AAIA, the market size of passenger cars in

China has exceeded US$35 billion, of which about 15% are crash components, and the proportion of vehicles aged 4-9 years is about 50%. This indicates that the demand for the After Market still has considerable potential in the future. The per capita income of the 10 Southeast Asian nations has also continued to rise. Historical data shows that once the national income reaches a certain level, the demand for automobiles will continue to increase. Therefore, it is estimated that the automobile market and the subsequent AM repair market in Mainland China and Southeast Asia still have sufficient market potential and growth opportunities.

At present, the Company's main production base is in Taiwan, and the main sales targets are auto parts dealers in Europe and the United States. However, after the ECFA was signed between Taiwan and China, the automotive component products listed in the Early Harvest List will be exported to Mainland China with Taiwan as the production base. In addition to deeply cultivating in Taiwan, the Company has invested in Xiamen Wanzai in June 2012 as a gateway to enter the markets in Mainland China and Southeast Asia. Based on this, there are a lot of opportunities for development in the future.

B. The higher the average vehicle age, the higher the maintenance frequency

The average age of cars in North America has exceeded 10 years for the first time due to the impact of a slowing global economic environment. This also means that the usage rate of AM components will increase even more in the future for car owners in North America. The frequency of vehicle replacements in Europe will also increase due to the debt crisis, which may also increase the size of the overall AM market.

C. Establish close cooperation with suppliers

The Company has established long-term and close cooperative relations with major suppliers. In addition to supplying the Company with stable and high-quality sources of goods, the Company also coordinates the development of new models and products in line with its business needs. This helps form a coexistence and co-prosperity growth partnership with the Company, which is beneficial for the Company to develop new product and enhance its competitive edge.

(II) Unfavorable factors and countermeasures

A. There are many competitors. The low-price competition of mainland Chinese manufacturers results in great pressure of product price competition

At present, there are a large number of domestic and foreign companies engaged in exporting automotive air-conditioning and engine cooling components, and the competition is fierce. In particular, in recent years, mainland Chinese manufacturers have competed for low-priced products, which has caused significant downward pressure on the sales prices of the overall industry.

Countermeasures

Through the development of new product molds, the Company continues to shorten the development time. When the original car manufacturer launches a new model, the Company, with its accumulated product database in the past, product development experience, an experienced R&D team, and reverse engineering foundation, can introduce suitable air-conditioning and cooling parts and components in 3-6 months, further seizing the market opportunity and increasing the profit of the product portfolio.

At Man Zai, we have improved the stability and durability of products through strict requirements on the use of materials for products and quality control of each process. We will continue to strengthen product quality to establish market segregation, so as to differentiate from the inexpensive but poor-quality products from mainland China.

The Company continues to apply the smelting technology and heat dissipation technology and heat dissipation technology to develop heat dissipation systems for home air-conditioning systems electronic components. This is to create new markets and sources of revenue and profit.

B. The car assembly plant requires the upstream component manufacturers to cooperate to reduce costs. Failure to effectively control costs or expand the market will affect the Company's profit.

Vehicle assembly plants continue to demand upstream component manufacturers to reduce production costs. If the Company fails to effectively control production costs or expand new markets, its revenue and profits will be affected.

Countermeasures:

In recent years, the Company has continued to transform itself into the aftermarket (After Market) in order to reduce dependence on vehicle assembly plants. Currently, the Company mainly operates in the After Market.

The Company continues to strengthen the development of new products and promote measures to promote the rationalization of production costs, and expand the proportion of sales, maintenance (AM) market sales in the European and American markets. By doing this, the production volume, the economic scale of production will be increased and the proportion of fixed production costs reduced.

C. Difficulties in hiring workers and increasing costs

Faced with the relocation of industries, the gradual loss of talent in traditional industries, and the crowding out effect caused by the high-tech industry, in addition to improving employee welfare, while upgrading the industry and transforming to develop high value-added products, we will strengthen the introduction of automation and improve the working environment in the future.

Countermeasures:

The Company has established good communication channels with employees and strengthened personnel management. In addition to improving employees' welfare, the loss of key human resources is prevented through the establishment of a comprehensive education and training mechanism. At the same time, we continue to enhance the automation of the operating system and improve the working environment.

(II) Important uses and production processes of major products

1. Important uses of the main products

The Company's main products are condenser, evaporator, heater cores and radiator.

The main uses of related products are summarized as follows:

A. Condenser:
This is a component of automobile air conditioning system. A condenser is installed in front of the automobile radiator. When the automobile air conditioning compressor is activated, it will send high-temperature and high-pressure gaseous refrigerant into the automobile condenser, where it will dissipate heat and turn it into a liquid refrigerant.

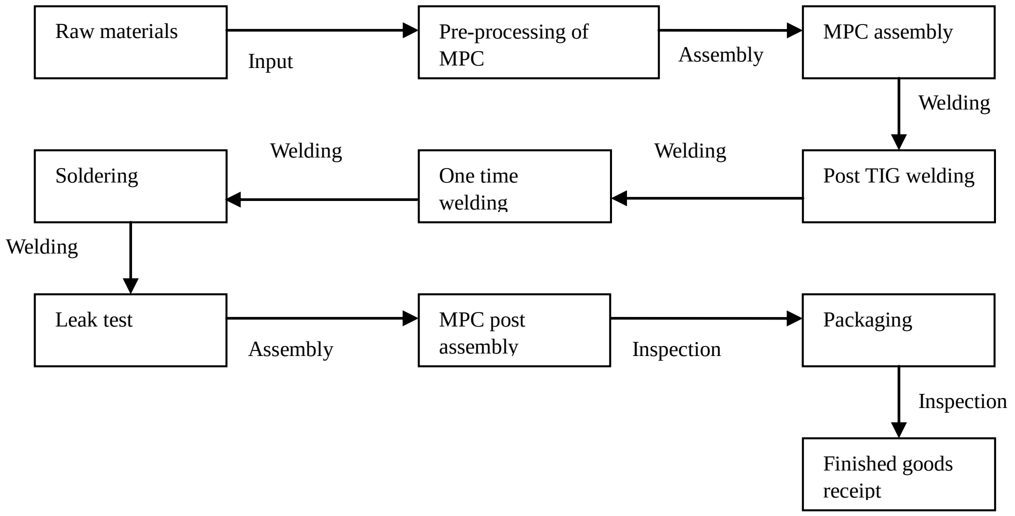
B. Evaporator:
This is a component of an automobile air conditioning system. The liquid refrigerant inside the heat-absorbing evaporator coil changes into a gas; the blower will be the air through the evaporator, and the heat exchange becomes cold air. The air-conditioning outlets are sent to the cabin in order to lower the temperature of the car and after the vaporized refrigerant is returned to the compressor for the next air conditioning cycle.

C. Heater Cores:
A component of the automobile air conditioning (heating) system. The hot water entering the radiator core is provided by the engine cooling water, and then the air drawn in by the blower passes through the radiator core after heat exchange into hot air, which is sent to the vehicle through the air outlet of the air conditioner to raise the ambient temperature of the car.

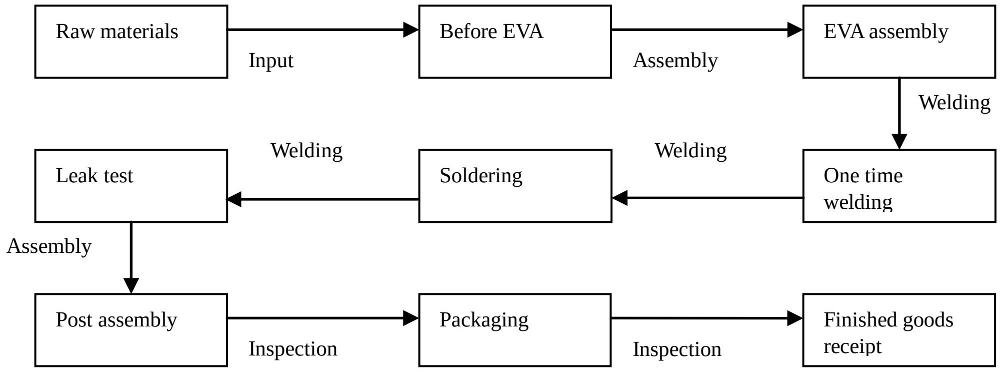
D. Radiator:
Cool the car engine to maintain an appropriate operating temperature when the car engine is running, and prevent the metal body of the engine from deforming due to heat.

2. Production process of main products

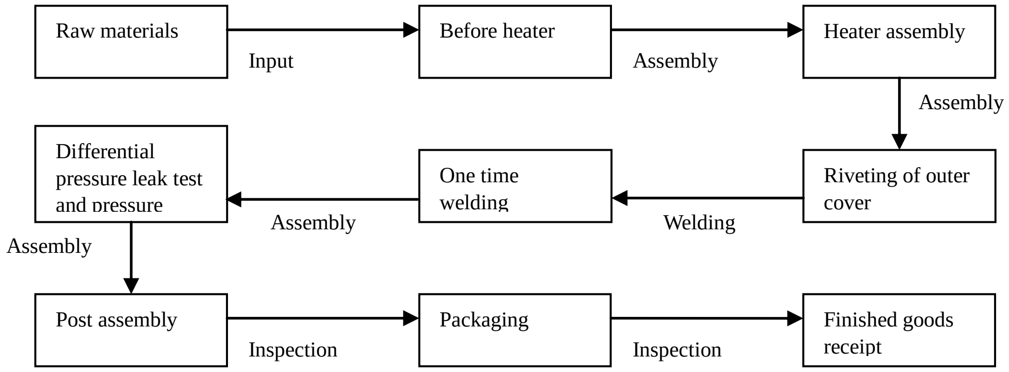
A. Condenser



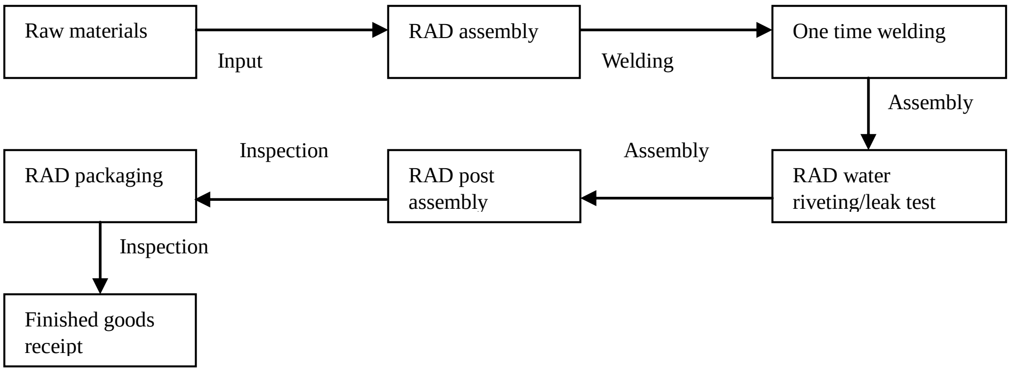
B. Evaporator



C. Heater cores



D. Radiator



(III) Supply of main raw materials

Main raw materials	Status of supply
Aluminum ingots	Good and stable
Coiled materials, aluminum tubes	Good and stable

Due to long-standing, stable partnerships with key suppliers, the quality of raw materials remains consistent, guaranteeing sufficient supply for production without shortages.

(IV) List of suppliers who have accounted for more than 10% of total purchase in any of the past two years, and the amount and proportion of purchase, and explain the reasons for the increase or decrease

Unit: NTD thousand

Item	2025				2024			
	Name	Amount	Proportion to net purchase (%)	Relationship with the issuer	Name	Amount	Proportion to net purchase (%)	Relationship with the issuer
1	Company B	57,835	16	None	Company C	56,587	19	None
2	Company C	55,289	15	None	Company A	46,508	16	None
	Others	244,104	69	-	Others	195,743	65	-
	Total	357,228	100	-	Total	298,838	100	-

Explanation of increase/decrease:

The Company's main raw materials for the most recent two years were mainly aluminum ingots, coils and pipes.

The combination of sales and production products in 2025 was different from that in 2024. Therefore, the proportion of purchases from Company B increased in 2025.

Overall, the changes in the Company's main raw material suppliers in the most recent two years are reasonable, and there is no significant irregular change.

(V) List of customers who have accounted for more than 10% of sales amount in any of the last two years, the amount and proportion of sales to the customers, and explain the reasons for the increase or decrease

Unit: NTD thousand

Item	2025				2024			
	Name	Amount	Proportion to net sales (%)	Relationship with the issuer	Name	Amount	Proportion to net sales (%)	Relationship with the issuer

1	Company D	198,849	24.78	None	Company D	142,392	17.98	None
	Others	603,695	75.22	-	Others	649,651	82.02	-
	Total	802,544	100.00	-	Total	792,043	100.00	-

Explanation of increase/decrease:

The Company's products are mainly automotive cooling components such as automotive condensers, radiators, and vaporizers, which are mainly sold to the automotive aftermarket (AM). The increase in sales in 2025 was due to the increase in sales. In summary, the changes in the Company's sales customers in the most recent two years are reasonable, and there is no significant irregular change. In order to increase market share and maintain stable growth, the Company not only fulfills the orders from existing customers, but also strives to increase market share and maintain stable growth. We are also committed to developing new customer sources in the Americas, Europe, Africa, the Middle East and Asia, and continue to interact closely with other auto manufacturers to gradually diversify the Company's sales risks.

III. Information on employees in the past two years and up to the publication date of the annual report:

Unit: Persons: %

Year		End of 2024	End of 2025	As of March 31, 2026
Number of employees	R&D personnel	10	15	14
	Management personnel	95	80	80
	Operator	186	186	186
	Total	291	281	280
Average age		43.9	44.5	44.7
Average years of service (years)		11.7	12.0	12.4
Education distribution ratio (%)	Doctoral Degree	-	1	1
	Master's Degree	2	2	2
	University and college	65	29	28
	Senior high school (inclusive)	33	68	69

IV. Information on environmental protection expenditure:

1. According to laws and regulations, if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made:

(I) The Company has obtained the following stationary source installation and operating permits

Item	Permit No.
Metal surface coating procedure	Nan-Shi-Fu-Huan-Kong-Cao-Zheng-Zi No. D0735-01
Wastewater (sewage) discharged to surface water body	Nan-Shi-Fu-Huan-Shui Zi No. 00520-13

(II) Payment of pollution prevention and control fees

The Company engages in a legal waste disposal company recognized by the environmental protection authority to handle waste-related issues. The Company's wastewater discharge and waste procedures are carried out according to laws and regulations.

2. The company's investment in major equipment for environmental pollution prevention and control, as well as the intended use and possible benefits:

Unit: NTD thousand

Equipment name	Quantity	Date of acquisition	Investment cost	Undiscounted balance	Purpose and expected benefits
Wastewater treatment equipment	One	2008.08	2,860	-	Treat the wastewater to meet the effluent standards: COD: 100mg/L or less, SS: 30 ng/L or less, pH: 6～9
Plate and frame sludge dewatering machine	One	2011.5	500	-	Sludge generated in the wastewater treatment process is pressed into a sludge cake to reduce the water content of the sludge and reduce the cost of cleaning and transportation

3. Describe the process undertaken by the company on environmental pollution improvement in the past two years and up to the publication date of the annual report. If there had been any pollution dispute, its handling process should also be described: None.

4. Any losses suffered by the company in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report due to environmental pollution incidents: None.

5. Explain the current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the coming 2 fiscal years:
   (I) At present, the Company's treatment of waste gas, wastewater and waste is in compliance with the requirements of laws and regulations, and relevant equipment has been installed. The environmental protection expenditure in the next two years accounts for a relatively low ratio of the Company's capital, which will not affect the Company's earnings. In addition, the Company attaches great importance to the prevention of environmental pollution and complies with the requirements of environmental protection laws and regulations, which should positively improve its competitive position.
   (II) Projected major environment-related capital expenses to be made for the coming 2 fiscal years: The Company has introduced major equipment for the prevention and control of environmental pollution, so there is no significant environmental protection capital expenditure expected in the future.

V. Labor-management relations:

1. The status of implementation of various employee welfare measures, continuing education, training, retirement system, and the status of labor-management agreements and various measures to protect the rights and interests of employees:

   (I) Conduct annual employee health examination.

   (II)Emergency relief program: The Company actively lends a hand to the employees whose families encounter difficulties or natural disasters and are in urgent need of help. By doing so, employees and their children can receive better care and development. Employees are also encouraged to participate in charitable activities. To improve the humanistic qualities of our employees, we have an Emergency Relief Scheme in place that offers emergency relief and sponsors public welfare activities.

(III) Outstanding and model employees are elected each year and awarded with bonuses and medals.

(IV) Profit sharing: The Company distributes year-end bonus and employee bonus to employees based on its operating performance.

(V) Employee continuing education and training: In order to encourage employees to continue their learning and learning at work, the Company arranges relevant education and training courses and provides employees with subsidies for education and training expenses.

(VI)Scholarships for children of employees: Scholarships are established to encourage the children of our employees to excel in their studies. They are provided every year and are divided into categories of public and private colleges and universities (including graduate schools), high schools, and junior high schools. The scholarships must be applied in accordance with the qualifications set forth in the Procedures for Scholarships.

(VII)The "Employees Shareholding Trust”: Employees in Taiwan have been invited to become shareholders of Man Zai if they wish to become one. A fixed amount will be contributed from their monthly salary, and the Company will contribute a corresponding reward, which are deposited in a trust account. By doing this, the employees have an opportunity to participate in the Company's operating results over the long term, accumulating wealth and creating a win-win partnership.

2. The Company established an Employee Welfare Committee in February 2000 to implement the following welfare measures:

(I) Birthday gift vouchers at monthly birthday parties.
(II) Wedding, maternity and bereavement leave allowances.
(III) Annual gift certificates or gifts for festivals.
(IV) Employee trips organized every year.

3. Retirement system

The Company makes monthly contributions to the individual pension account established by the Labor Insurance Bureau at the rate of 6% of the monthly salary. The Company's employees may voluntarily contribute to their pension fund within 6% of their monthly salary.

4. Disbursements for environmental protection: any losses suffered by the company in the past two years and up to the publication date of the annual report due to environmental pollution incidents, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company attaches great importance to the welfare of its employees and maintains harmonious labor-management relations. There have been no major labor disputes in the past two years and up to the publication date of the annual report.

VI. Cybersecurity management

1. Cybersecurity risk management framework, cybersecurity policies, specific management plans, and resources invested in cybersecurity management

(I) Information security risk management framework

The Information Office is responsible for the information security of the Company, for planning, executing and facilitating information security management matters and promoting information security awareness. In addition, the Audit Office is the audit unit for information security oversight. If any deficiencies are discovered during the audit, the Audit Office shall immediately request the unit being audited to propose relevant improvement plans to be submitted to the Board of Directors. The improvement results are regularly tracked to reduce internal information security risks.

(II) Information security policy

(A) Maintain the sustainable operation of each information system
(B) Prevent hackers and various viruses from invading and destroying
(C) Prevent improper and illegal use with human intent
(D) Prevent leakage of sensitive data
(E) Avoid human negligence
(F) Maintain the security of the physical environment

(III) Specific information security management plan

(A) Security management of computer equipment

(a) The Company's mainframe and various application servers are installed in a dedicated computer room, with access records kept for record.
(b) The computer room is equipped with independent air conditioning to maintain the operation of computer equipment in an appropriate temperature environment; and chemical fire extinguishers are in place for fires caused by general or electrical appliances.
(c) The mainframe of the computer room is equipped with UPS and stabilized voltage equipment to prevent the system from crashing due to unexpected instantaneous power interruption of Taiwan Power, or to ensure that the operation of the computer application system will not be interrupted during a temporary power outage.

(B) Network security management

(a) For the entrance connected to the external network, an enterprise-level firewall is configured to prevent illegal intrusions by hackers.
(b) Employees who access the ERP system from the Company's intranet through remote login must apply for a VPN account. They can log in safely through VPN, and their use records are kept for audit.
(c) Configure online behavior management and filtering equipment to control Internet access, block access to harmful or policy-disallowed network addresses and content, enhance network security, and prevent bandwidth resources from being improperly occupied.

(C) Virus protection and management

(a) Endpoint protection software is installed in the server and the terminal computer equipment of employees. The virus pattern is updated automatically to ensure that the latest types of viruses are blocked. At the same time, the software can detect and prevent the installation of system executable files with potential threats.

(b) E-mail servers are equipped with anti-virus and anti-spam filtering mechanisms to prevent viruses or spam from entering the PCs of users.

(IV) System access control

(A) The use of various application systems by employees is processed through the Company's internal system permission application process. Once approved by the responsible manager, a system account is created by the Information Office, and each system administrator is authorized to perform the functions and access applied for.

(B) Passwords for accounts shall be set with appropriate strength, number of words, and must be a mixture of letters, numbers and special symbols.

(C) When an employee is leaving the company or on leave, the Information Office will delete the account in each system according to the notice of resignation.

(V) Ensure the sustainable operation of the system

(A) System backup: The Company has established an off-site backup system. A daily backup mechanism is adopted. A copy of the backup data is stored in each of the off-site computer rooms, with a backup system set up off-site to ensure the security of the system and data.

(B) Disaster recovery drill: Drills are conducted for each system once a year. After the restoration date and reference point is selected, the backup media will be restored to the system mainframe. The user will then confirm the accuracy of the restored data in writing to ensure the accuracy and validity of the backup media.

(C) Two data lines are leased from the telecommunications company, and the bandwidth management equipment is used to connect the two data lines in parallel with each other to ensure that network communications are not interrupted.

(VI) Information security promotion and training

(A) Reminder: Employees are required to change system passwords regularly to maintain account security.

(B) Information security promotion: Provide information security example documents for colleagues' reference.

2. List any losses suffered by the company in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report due to significant cybersecurity incidents, the possible impacts therefrom, and measures being or to be taken: The Company has not suffered any major information and communication security incidents in the most recent year and as of the printing date of the annual report.

VII. Important contracts:

Nature of contract	Contracting parties	Start and end time of contract	Main Content	Restrictive clauses
Borrowing contract	Mega Bank	2025.08.27~2027.08.27	Long-term borrowings	Collateral
Borrowing contract	CTBC Bank	2024.05.31~2029.05.31	Long-term borrowings	Collateral

V、Review Analysis of Financial Status and Financial Performance and Risk Management

I. Financial Position

Unit: NT$ thousands

Year Item	2025	2024	Difference	
			Amount	%
Current Assets	1,133,588	1,201,446	(67,858)	(5.65%)
Property, plant and equipment	1,034,011	1,066,612	(32,601)	(3.06%)
Other assets (Include intangible assets)	377,520	373,831	3,689	0.99%
Total assets	2,545,119	2,641,889	(96,770)	(3.66%)
Current liabilities	463,730	531,690	(67,960)	(12.78%)
Long-term loans	266,487	275,098	(8,611)	(3.13%)
Other non-current liabilities	18,558	13,675	4,883	35.71%
Total liabilities	748,775	288,773	(71,688)	(8.74%)
Share capital	597,723	597,723	–	–
Capital surplus	309,560	309,560	–	–
Retained earnings	889,952	917,478	(27,526)	(3.00%)
Other equity interest	(291)	(3,335)	3,044	(91.27%)
Total Equity	1,796,344	1,821,426	(25,082)	(1.38%)

1. Main reason for changes：

(1) Decrease in current liabilities, mainly due to the repayment of bank loans.

(2) Increase in other liabilities, mainly driven by the rise in lease liabilities.

(3) Increase in other equity, mainly due to the increase in unrealized valuation gains/losses on financial assets at fair value through other comprehensive income (FVOCI).

2. Future Plan on Financial Position: Not applicable.

II. Financial Performance

(I) Comparative Analysis of Financial Performance

Unit: NT$ thousands

Year Item	2025	2024	Change by Amount	% of change
Operating revenue	802,544	792,043	10,501	1.33%
Operating cost	627,118	553,923	73,195	13.21%
Gross profit	175,426	238,120	(62,694)	(26.33%)
Operating expenses	129,197	170,828	(36,551)	(22.05%)
Operating income	46,229	67,292	(26,143)	(36.12%)
Non-operating income and expenses	(1,078)	90,823	(86,821)	(101.26%)
Income before tax	45,151	158,115	(112,964)	(71.44%)
Income tax expense	13,505	34,565	(21,060)	(60.93%)
Net income	31,646	123,550	(91,904)	(74.39%)

Main reason for changes：

(1) Increase in operating costs: Mainly due to the optimization of the product sales mix.

(2) Decrease in operating expense: Mainly due to the reduction of expenses.

(3) The decrease in non-operating income and expenses, income before tax, income tax expense, and net income was primarily due to an increase in foreign exchange losses.

(II) Expected sales volume in the coming year and the basis thereof:

Based on the sales targets in 2026 that were reasonably prepared with reference to market demand, the Company's production capacity, and the future prospects of customers, it is estimated that the Company's performance will show stable growth in the future, which will bring positive benefits to the Company.

(III) Possible impact on the Company's future finance and business, and response plan:

There is still a large potential customer base in the industry where the Company is currently operating in. With the development of new projects and the expansion plan of downstream customers, the sales status will improve. We also pay attention to the pulse of the market and stay on top of the latest product development trends in the future, in order to enhance the Company’s profitability, and to maintain a stable and sound operating position.

III. Cash flows

(I) Cash flow analysis

Unit: NT$ thousands；%

Item	2025	2024	% of change
Cash flow ratio (%)	17.62	24.82	29%
Cash flow adequacy ratio (%)	172.07	110.07	56%
Cash reinvestment ratio (%)	0.61	2.21	72%
Analysis of changes: (1) Decrease in cash flow ratios (ratio, adequacy, and reinvestment) was mainly due to lower net income for the period.			

(II) Improvement plan for insufficient liquidity：None.

(III) Cash liquidity analysis for the next year

Unit: NT$ thousands

Beginning Cash Balance	Net cash flows from operating activities	Net cash flows out	Cash balance	Remedy for cash deficit	
				Investment plans	Financing plans
503,559	400,000	(350,000)	553,559	-	-
Analysis and description: For the coming year, it is estimated that the cash inflow from operating activities will be about NTD 400,000 thousand, and cash outflow will be about NTD 350,000 thousand, which is mainly due to capital expenditure of NTD 100,000 thousand; the estimated cash balance will be about NTD 553,559 thousand, and there is no cash shortage.					

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

V. Reinvestment policy in the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improvement, and investment plans for the coming year:

(I) The Company's reinvestment policy:

The Company's management team makes investments based on operational needs or the Company's future growth. The Company conducts a detailed assessment of the investment status and other items, and develops investment assessment recommendations for the decision-making authorities as a basis for investment decision-making. In addition, the Company keeps abreast of the operating conditions of the invested businesses and analyzes the performance of the invested businesses. By doing this, the decision-making authorities can track and evaluate the post-investment management.

(II) The main reason for the loss from reinvestment in 2025, the improvement plan and investment plan for the coming year

2025; Unit: NTD thousand

Investee	Recognition of investment gains and losses of the investee in the most recent year	Main reason for profit or loss	Improvement plan
Cavalier Holding Co., Ltd.	(7,892)	Xiamen Wanzai's revenue is insufficient	The Company's will due to expand other markets and add other business items to increase revenue sources, while continuously enhancing cost control to reduce expenses and improve cash flow.

(III) Investment plan for the coming year: None.

VI. Analysis and assessment of risk matters:

(I) Effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Effect upon the Company's profits (losses) of interest changes
The Company's interest expenses for 2025 and 2024 were NTD 12,496 thousand and NTD 11,987 thousand, respectively, accounting for 1.56% and 1.52% of operating revenues and 27.68% and 7.58% of net income, respectively. The proportion of revenue and net profit before tax is still limited, and the Company's financial department is based on a stable and conservative financial management foundation and maintains close contact with banks on a regular basis. The Finance Department keeps abreast of relevant information on interest rate fluctuations in order to study and judge the future trend of interest rates, and make appropriate adjustments.

2. Effect upon the Company's profits (losses) of exchange rate changes
In the most recent two fiscal years, the Company's exports have accounted for approximately 70% to 75%. In order to hedge exchange rate risks, the Company uses the same currency for receipts and payments as the natural hedging method. The Company engages in derivative financial instrument transactions such as forward exchange contracts, mainly for the purpose of hedging the risk arising from exchange rate fluctuations. The Company's exchange interest for 2025 and 2024 were NTD (32,192) thousand, NTD 53,678 thousand ; and financial asset valuation gain (loss) NTD (845) thousand, and NTD (408) thousand respectively. The exchange rate change should not have a significant impact on the Company's profit or loss. The Company response to exchange rate changes is to focus on natural hedging. Receipt and payment are conducted in the same currency as much as possible to reduce foreign currency positions naturally. For foreign currency exposure positions, derivative financial instruments are used as hedging instruments. The timing of foreign currency inflows of export sales is estimated, and forward foreign exchange is sold or bought, or spot is traded directly in the foreign exchange market to avoid exchange rate risks. In addition, the Finance Department of the Company maintains close contact with the banks on weekdays, and closely grasps the relevant information of exchange rate changes. The Finance Department studies and judges the future exchange rate trend, and minimizes the impact of exchange rate changes on the Company's operating profits.

3. Effect upon the Company's profits (losses) of inflation

As of the date of publication of the annual report, there has been no occurrence of inflation that has a material adverse effect on the Company's profit or loss. The Company closely observes the fluctuation of market prices and actively explores sources of supply of raw materials in an attempt to reduce production costs. The Company also maintains good relationships with customers and timely reflects production costs to customers. Therefore, the Company is currently able to effectively control the impact of inflation on the Company's profitability.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivative instrument transactions; the main reasons for the profits/losses generated thereby in the most recent fiscal year; and response measures to be taken in the future:

1. The Company has always adhered to the principle of focusing on its own business and pragmatism, and the financial policy is prudent and conservative, and has not engaged in high-risk and high-leverage investments.

2. The Company made endorsements/guarantees for the subsidiary, Cavalier Holding Co., Ltd., for US$0 thousand in 2025. In addition, as of the publication date of the annual report in 2025 and 2026, the transactions relating to loaning of funds to others were carried out in accordance with the “Procedures for Loaning of Funds to Others and Endorsements/Guarantees" formulated by the Company, with public announcements made according to laws and regulations.

3. The Company's transactions of derivative financial instruments are for the purpose of hedging the exchange rate fluctuation risks. As of the publication date of the annual report in 2025 and 2026, related transactions were carried out in accordance with the “Procedures for Acquisition and Disposal of Assets” formulated by the Company, with public announcements made according to laws and regulations.

(III) Future R&D plans and expected R&D expenses

In addition to developing more forms of automotive heat dissipation equipment in the future, the Company has already invested in the provision of heat flow solutions and technology development for electronic components such as CPU/ GPU/LED, and is working with downstream customers to develop products such as home air conditioners or refrigerators. The Company has been deeply involved in the field of heat exchange for many years, and has grasped the characteristics of aluminum and related alloy metals to develop diversified product application fields. It is expected that the R&D expenses should show a growing trend year by year.

(IV) The impact upon the company’s financial operations of important policy and legal developments at home and abroad, and the measures the company plans to adopt in response:

The Company operates with integrity and complies with regulations promulgated by relevant domestic and foreign governments and agencies. In addition to conducting business in accordance with existing laws and regulations, the Company also pays close attention to important domestic and foreign policy trends, policy formations, legislative processes, and details related to its operations, and accordingly proposes countermeasures in a timely manner. Up to the date of publication of the annual report, the Company's finance and business were not affected by changes in important policies and laws at home and abroad.

(V) Effect on the company’s financial operations of developments in science and technology (including cybersecurity risks) as well as industrial change, and measures to be taken in response.

The Company will pay attention to the development and evolution of industrial and technological changes at all times, and proceed to assess the impact on the Company's finance and business. As of the publication date of the prospectus, there was no significant adverse impact of on the Company’s financial operations of developments in science and technology (including cybersecurity risks) as well as industrial change.

(VI) The impact of changes in the company’s image upon its crisis management, and the measures the company plans to adopt in response:

Since establishment, the Company has complied with relevant laws and regulations, actively strengthened internal management, improved management quality and performance, and maintained harmonious labor relations. The Company strives to maintain an excellent corporate image and there had been no incidents affecting the Company’s corporate image in the most recent fiscal year and up to the publication date of the annual report.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

(VIII) The expected benefits and potential risks of any plant expansion, and measures to be adopted in response: None.

(IX) The risks associated with any concentration of purchasing or sales operations, and measures to be adopted in response:

1. Concentration of purchases

   The Company has been engaging in business dealings with major suppliers for many years and has maintained good cooperative relations with them. In the last two years, no purchases from any one supplier exceeded 50% of the total purchase. The Company has adopted a multiple-supplier procurement policy for all raw materials to ensure stable and diversified sources of purchase. In the most recent year and as of the publication date of the annual report, there was no shortage or interruption of supply that affected production operations.

2. Concentration of sales

   The Company's sales focus is on the export market, and the sales regions are dominated by the Americas, followed by Asia. There was no single customer that accounted for more than 30% of sales in the past two years, so there is no concentration of sales.

(X) Effect upon and risk to the company if a substantial quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and measures to be adopted in response:

As of the publication date of the annual report, there has been no significant transfer of shares by the Company's major directors or major shareholders. Most of the transfer was based on shareholders' own financial management factors, which did not affect the actual operation of the Company. The equity transfer has no significant effect on the Company's operations.

(XI) Effect upon and risk to the company associated with any change in governance personnel or top management, and measures to be adopted in response:

As of the publication date of the annual report, the Company did not experience any significant change in its management.

(XII)List major litigious, non-litigious or administrative disputes that involve any company director, the general manager, any person with actual responsibility, any major shareholder holding a stake of more than 10%, or any subordinate companies and have been concluded by means of a final and unappealable judgment, or are still under litigation; where such a dispute could materially affect shareholders' equity or the prices of the company's securities, disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the publication date of the annual report:

As of the publication date of the annual report, the Company did not encounter any litigation or non-litigation incidents that materially affected shareholders' equity or the prices of the company's securities.

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

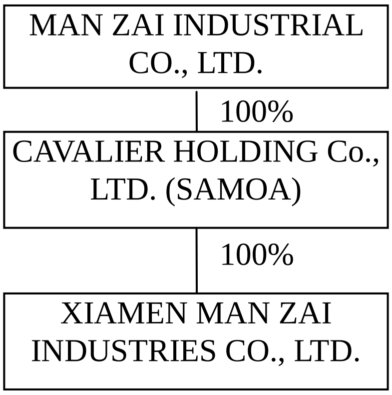
VII. Other important matters: None.

VI、Special Disclosure

I. Information on Affiliates：

(I) Affiliates Consolidated Business Report

1. Structure of affiliates：



2. Basic information of the company's affiliates：

Names of affiliates	Date of incorporation	Address	Paid-in capital	Major lines of business or products
CAVALIER HOLDING CO., LTD. (SAMOA)	2012/4/23	Offshore Chambers, P.O.Box 217,Apia,Samoa	USD 8,500,000	Investment holding
XIAMEN MAN ZAI INDUSTRIES CO., LTD.	2002/7/22	North Industrial Estate, Xiang An District Xiamen, Fujian, China	USD 8,300,000	Manufacture automobile parts、A/C products for vehicles, Cooling system for vehicles and motorcycles

3. The information of the same shareholders where there is controlled and subordinate relation：None.

4. Industry covered by overall operating business of affiliates and division of work

(I) Industry covered by overall operating business of affiliates and division of work: The businesses of the Company and its affiliates mainly involve the production, research and development, sales and reinvestment of parts for automobile air-conditioning systems and engine cooling systems of automobiles and motorbikes.

(II) Description of Mutual Dealings and Division of Work Between Affiliates：None.

5. Rosters of Directors, Supervisors, and Presidents：

Company	Title	Name or Representative	Shareholding	
			Shares	% (Investment Holding %)
CAVALIER HOLDING Co., LTD. (SAMOA)	Representative Director	MAN ZAI INDUSTRIAL CO., LTD. Representative：Wan Cheng-Chien	8,500,000	100%
XIAMEN MAN ZAI INDUSTRIES CO., LTD.	Representative Director	CAVALIER HOLDING Co., LTD (SAMOA) Representative：Hu Wan Mei-Li	8,300,000	100%
	Director	CAVALIER HOLDING Co., LTD (SAMOA) Representative：Chiang Shun-Tsan	8,300,000	100%
	Director	CAVALIER HOLDING Co., LTD (SAMOA) Representative：Wan Cheng-Chien	8,300,000	100%
	Supervisor	CAVALIER HOLDING Co., LTD (SAMOA) Representative：Wan Cheng-Feng	8,300,000	100%

6. Operating Status of Affiliates

Unit: NT$ thousands

Names of affiliates	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit (loss) (after tax)	Earnings per share (NT$) (after Tax)
CAVALIER HOLDING Co., LTD (SAMOA)	256,123	9,554	－	9,554	－	(39)	(7,892)	(0.93)
XIAMEN MAN ZAI INDUSTRIES CO., LTD.	254,893	17,455	16,272	1,183	12,356	(8,826)	(7,911)	－

(II) Consolidated Financial Statements of Affiliates:

The related party three reports are available on the Market Observation Post System. Please Visit the website https://mops.twse.com.tw/BasicData /ElectronicBooks /RelatedPartyReports]

(III) Reports on Affiliations：None.

II. Private placement of marketable securities in the last year and up to the publication date of this annual report：None.

III. Other supplementary information：None.

IV. Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 3 Subparagraph 2 of the Securities and Exchange Act in the past year up to the date the Annual Report was printed：None.