Stock Code: 8349

QST INTERNATIONAL CORP.

2025 Annual Report

For more information on the Annual Report, please visit:

1. MOPS: **http://mops.twse.com.tw**
2. The Company's website: **http://www.qst.com.tw**

Date of publication: April 25, 2026

I. Name, title, phone number, and e-mail address of the spokesman or acting spokesman:

Spokesman: Hsu, Chi-Wen
Title: Vice President, Administration Department
Tel: (06)208-1997 ext: 11888
E-mail: investor_r@qst.com.tw

Acting Spokesman: Ou, Ling-Feng
Title: Manager, Accounting Department
Tel: (06)208-1997 ext: 11888
E-mail: investor_r@qst.com.tw

II. Address and phone number of the Company's headquarters, branch offices and factories

Headquarters: 3 F., No. 203, Sec. 1, Changrong Rd., East Dist., Tainan City
Tel: (06) 208-1997 (representative number)
Gui-Ren Plant: No. 2, Sec. 2, Zhongzheng S. Rd., Guiren Dist., Tainan City
Tel: (06) 208-1997 (representative number)
Bao-An Plant: No. 616, Sec. 1, Zhongzheng Rd., Rende Dist., Tainan City
Tel: (06) 208-1997 (representative number)
Branch: None

III. Name, address, e-mail address, and phone number of the Stock Transfer Agency:

Name: Transfer Agency Department, CTBC Bank Co., Ltd.
Address: 5 F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City
Tel: (02)6636-5566
Website: https://www.ctbcbank.com

IV. Names of the CPAs who duly audited the annual financial report for the most recent fiscal year, and the name, address and phone number of the accounting firm to which they belong:

CPA: Wu, Chang-Chun and Liao, Hung-Ru
Accounting Firm: Deloitte & Touche
Address: 13 F., No. 189, Sec. 1, Yongfu Rd., West Central Dist., Tainan City
Tel: (06)213-9988
Website: https://www.deloitte.com.tw

V. Name of any exchanges where the Company's securities are traded oversea, and the method by which to access information on said oversea securities:

None

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

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One. Letter to Shareholders

Ladies and Gentlemen,

The Company's business report for 2025:

In 2025, Trump's aggressive tariff measures disrupted the global trade landscape, forcing the restructuring of industrial supply chains and signaling the world economy's entry into a period of reorganization. Amid these changes, the Company has also been unable to remain unaffected, with both operating performance and profitability impacted. Fortunately, due to its years of overseas deployment, the Company has the capability to shift operations among the European, American, and Asian markets and adjust the allocation of global resources, giving it confidence in maintaining stability and achieving breakthroughs amid the changing environment.

I. 2025 Business Report:

(I) Implementation results of the 2025 business plan:

1. The Company's consolidated net operating revenue for 2025 was approximately NT$11,451,200,000, a decrease of NT$1,685,490,000 or 12.83%, compared to 2024; the net profit attributable to the owners of the parent company was approximately NT$415,260,000, a decrease of NT$324,050,000 or 43.83%, compared to 2024.
2. Since the Company did not publish the financial forecast for 2025, there was no budget execution.

(II) Financial income and expenditures:

The income and expenditure situation for 2025 and 2024 are compared as follows (consolidated statement):

NT$ in thousands

Item	2025	2024	Amount of difference	Percentage of change
Operating revenue, net	11,451,195	13,136,685	-1,685,490	-12.83%
Operating cost	9,171,266	10,371,412	-1,200,146	-11.57%
Gross profit	2,279,929	2,765,273	-485,344	-17.55%
Operating expenses	1,700,883	1,785,847	-84,964	-4.76%
Operating income, net	579,046	979,426	-400,380	-40.88%
Non-operating income and expenses	-77,728	91,470	-169,198	-184.98%
Consolidated net income before tax	501,318	1,070,896	-569,578	-53.19%
Less: Income tax expense	173,723	364,493	-190,770	-52.34%
Consolidated net profit after tax	327,595	706,403	-378,808	-53.62%
Less: Net income from non-controlling interests	-87,669	-32,911	-54,758	-166.38%
Net profit attributable to owners of the parent company	415,264	739,314	-324,050	-43.83%
Earnings per share (NTD) - retrospective	1.93	3.88	-1.95	-50.26%

(III) Profitability analysis:

Item	2025	2024
Return on assets (%)	2.18	4.37
Return on equity (%)	4.05	10.10
EBT to Paid-in capital ratio (%)	22.91	59.72
Net profit margin (%)	2.86	5.38
Earnings per share (NTD) - after tax (retrospective)	1.93	3.88

(IV) R&D status:

The Company continues to collaborate with customers in the joint R&D of next-generation new vehicle categories and new vehicle models. In addition to the use of traditional steel materials, the Company has achieved breakthroughs in new aluminum-magnesium alloy fasteners in response to demands for vehicle lightweighting and extended driving range, successfully entering emerging markets. In addition, the automotive electronic micro-fasteners developed by the Company have passed testing and are gradually entering mass production. The Company continues to pursue R&D and innovation, not only to maintain technological leadership, but also to enhance product added value and profitability.

II. Summary of the 2026 business plan:

Global developments are moving toward a multipolar landscape, and the long-term strategic rivalry between China and the United States has clearly taken shape. In short, the global landscape has shifted from being “stable and rule-based” to one characterized by “change and uncertainty.” The Company views these changes as opportunities for breakthrough, responding to evolving conditions through flexible decision-making, seizing uncertain business opportunities through rapid response, and continuing its multi-location global deployment to enhance flexibility and promptly capture local opportunities.

(I) Annual business policy:

The Company’s business policy is to follow the development trend of new energy vehicles, continue R&D and innovation, and optimize the global production and sales layout. In addition to the lean operation on the existing basis of operation, the Company will dynamically adjust the allocation of resources in response to the appropriate response.

(II) The Company and its subsidiaries estimated the 2026 sales volume, which was based on the market supply and demand and the economy this year, the Company’s production and sales performance in past years, and the business plan and budget for this year.

(III) Annual production and sales policies:

1. Sales policy:

(1) Assess the growth potential of customers dynamically and adjust related strategies and credit lines, in addition to ensuring the stability of the customer structure, and continue to optimize the customer base to grasp the growth opportunities and avoid contingent risks.

(2) Based on the existing business model and distribution network, continue to introduce emerging technologies, innovate the logistics service model, expand the breadth of the supply chain, and continue to explore potential markets.

(3) Based on the advantage of the electric vehicle fasteners, the Company will actively expand the emerging customer groups such as new energy vehicles and automotive electronics, expand the engineering technology, logistics services and scale advantages, and consolidate the leading position.

2. Production policy:

   (1) Focus on strategic products: Continue to improve the process, optimize equipment, reduce costs, increase the supply capacity, ensure long-term advantages.

   (2) Lean Manufacturing: Optimize resource allocation by assigning each plant according to process and equipment specialization, develop lean manufacturing, and pursue optimal dynamic allocation of both local and overall manufacturing resources.

   (3) Continue to introduce technology: Continuously introduce advanced technologies and processes, expand R&D capacity, product range, and production capabilities, and establish a long-term technological leadership advantage.

III. Future development strategies of the Company

(I) Management aspect: continue to optimize operating procedures, reduce costs, and improve performance; at the same time, promote the integration and activation of the Group’s resources, and utilize resources in the capital market to ensure sustainable growth momentum.

(II) Business aspect: continue to optimize customer structure, develop emerging customers, and maintain growth momentum; deepen the layout of logistics operation and engineering services, and expand the direct sales channels and outlets of global car manufacturers.

(III) Manufacturing aspect: The Company will continue to upgrade its engineering capacity, introduce advanced equipment, and optimize the allocation of global manufacturing resources, in order to become a world-class leading manufacturer of fasteners for new energy vehicles.

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

Although there may be multiple external uncertainties as mentioned above this year, the Company has grasped the mainstream market trend, the continuous growth of new customers, and the continuous mass production of a series of new products as new vehicles are launched. The momentum is expected to continue. In addition, after years of changes, the Company has established a dynamic and flexible mechanism for allocating resources, which is helpful in responding to various unforeseen events in the overall business environment. External competition, laws and regulations and the overall business environment are not significantly detrimental to the Company's profit and performance growth.

Dear Shareholders, in these times of global turmoil and uncertainty, the Company will endeavor to operate diligently and respond prudently. In addition to properly mitigating potential risks, it will strive to seize growth opportunities, create added value for all shareholders, and enhance profitability. On behalf of the management team and all employees, I would like to express my sincere gratitude to all shareholders for their long-term support.
I wish you all good health, safe and sound family, and all the best.

QST INTERNATIONAL CORP.

Chairman: Wu, Rong-Bin

Two. Corporate Governance Report

I. Information on the Company's directors, president, vice presidents, assistant vice presidents, and the supervisors of all the Company's divisions and branches

(I) Information of directors:

April 11, 2026; Unit: Share; %

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: Number of shares	No. of shares held at time of election: Shareholding ratio	No. of shares currently held: Number of shares	No. of shares currently held: Shareholding ratio	Shares currently held by spouse and minor children: Number of shares	Shares currently held by spouse and minor children: Shareholding ratio	Shares held through nominees: Number of shares	Shares held through nominees: Shareholding ratio	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: Title	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree: Name	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree: Relationship	Remarks
Chairman and Chief Technology Officer	Republic of China	QST HOLDING CO., LTD.	Male 61 to 70 years old	June 11, 2025	3 years	July 20, 1995	28,629,061	15.08	32,981,244	15.79	Not applicable				Not applicable	Not applicable	Not applicable			
	Republic of China	Representative: Wu, Rong-Bin			3 years	June 29, 2010	0	0	10,034,689	4.81	1,018,906	0.49	0	0	●B.A. in Mechanical Engineering, Tamkang University ●Factory Manager, San Shing Fastech Corp.	Note 1	Director Director Director	Wu, Rong-Chin Wu, Chien-Hsu Wu, Chien-Heng	2nd degree of kinship 1st degree of kinship 1st degree of kinship	
Director	Republic of China	Lin, Chin-Ning	Male 61 to 70 years old	June 11, 2025	3 years	June 27, 2016	0	0	0	0	2,922	0.00	0	0	●Master in Business Administration (MBA), National Taiwan University ●President of Huzhou Jianli Metal Products Co., Ltd. ●Vice President of Ruentex Industries Ltd.	Note 2	None	None	None	
Director	Republic of China	QST HOLDING CO., LTD.	Male 61 to 70 years old	June 11, 2025	3 years	July 20, 1995	28,629,061	15.08	32,981,244	15.79	Not applicable				Not applicable	Not applicable	Not applicable			
	Republic of China	Representative: Wu, Rong-Chin			3 years	June 29, 2010	0	0	211,874	0.10	5,423	0.00	0	0	●Electrical Engineering, Salesian Technical School ●Manager of Manufacturing Department, BOLTUN CORPORATION	Note 3	Chairman	Wu, Rong-Bin	2nd degree of kinship	
Director and President	Republic of China	Great Trust Corporation	Male 41 to 50 years old	June 11, 2025	3 years	June 14, 2022	9,251,212	4.87	10,175,130	4.87	Not applicable				Not applicable	Not applicable	Not applicable			
	Republic of China	Representative: Wu, Chien-Hsu			3 years	June 14, 2022	0	0	1,869,360	0.90	16,498	0.01	0	0	●M.S. of Graduate Institute of Electrical and Computer Engineering, Tamkang University ●Chairman of Real Touch Corporation	Note 4	Chairman Director	Wu, Rong-Bin Wu, Chien-Heng	1st degree of kinship 2nd degree of kinship	
Director and Vice President of Operations	Republic of China	Great Trust Corporation	Male 31 to 40 years old	June 11, 2025	3 years	June 14, 2022	9,251,212	4.87	10,175,130	4.87	Not applicable				Not applicable	Not applicable	Not applicable			
	Republic of China	Representative: Wu, Chien-Heng			3 years	June 14, 2022	0	0	49,494	0.02	16,498	0.01	0	0	●M.S. in Computer & Communication Engineering, National Cheng Kung University ●Senior Software Engineer, Delta Networks, Inc.	Note 5	Chairman Director	Wu, Rong-Bin Wu, Chien-Hsu	1st degree of kinship 2nd degree of kinship	
Independent director	Republic of China	Hwang, Chen-An	Male 71 to 80 years old	June 11, 2025	3 years	June 24, 2013	0	0	0	0	0	0	0	0	●College of Law, National Taiwan University ●Member of the Legislative Yuan	Note 6	None	None	None	

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
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent director	Republic of China	Hseu, Shun-Fa	Male 61 to 70 years old	June 11, 2025	3 years	June 29, 2010	0	0	0	0	0	0	0	0	●Department of Public Administration, National Chengchi University ●M.A. in Accounting, University of Memphis, Tennessee ●Specialist, the First Review Section, National Taxation Bureau of Kaohsiung, Ministry of Finance	Note 7	None	None	None	
Independent director	Republic of China	Lin, Chin-Jung	Male 71 to 80 years old	June 11, 2025	3 years	June 14, 2022	0	0	0	0	0	0	0	0	●Doctor of honoris causa, National Kaohsiung Normal University ●Master's, Graduate Institute of Adult Education, National Kaohsiung Normal University ●Founder, Jhih Guang Educational Technology Co., Ltd.	Note 8	None	None	None	
Independent director	Republic of China	Kuo, Su-Hui	Female 51 to 60 years old	June 11, 2025	3 years	June 11, 2025	0	0	0	0	0	0	0	0	● French Language and Literature Department, Chinese Culture University ●President of Wei Chih Steel Industrial Co., Ltd.	Note 9	None	None	None	

Note 1: Chairman and President of BOLTUN CORPORATION; Chairman of Boltun Precision Corporation; Chairman of Normtech Corporation; Chairman of A-Okay Industrial Company Ltd.; Chairman of Boltun Casting Corporation; Chairman of Bofood Corporation; Chairman of Pin Hua Corporation; Chairman of HE JIAN Holdings Corporation; Chairman of QST HOLDING CO., LTD.; Chairman of LI-HWA HOLDING LTD.; Chairman of BEU Holdings Corporation; Chairman of Boltun Investment Corporation; Chairman of Smart Farming Corporation; Chairman of FONG YUAN Publishing Corporation; Director of Real Touch Corporation; Chairman of STRONG ONE CORPORATION; Director of Asia Pacific Plating Corporation; Supervisor of King Shun-Li Industrial Co.; Supervisor of Gen-Yee Enterprise Co., Ltd.; Supervisor of Yeswin Machinery Co., Ltd.; Chairman of Wu's Plastic Products Co., Ltd.; Director of Ori-Genic Biotech Corporation; Chairman of Nugreen Bio AgriTech Corporation; Chairman of RITZY VISION CO., LTD.; Chairman of Xinyi Debao Co., Ltd.; Chairman of NUTEC ENERGY CORPORATION; Director of TAIWAN EARNING CO., LTD.; Independent Director of XXENTRIA TECHNOLOGY MATERIALS CO., LTD.; Chairman of EzAi Health Co., Ltd.; Executive Director of XIAMEN BOLTUN METAL CO., LTD.; Executive Director of XIAMEN BOLTEC METAL CO., LTD.; Executive Director of XIAMEN BOLMAC CO., LTD.; Executive Director of XIAMEN BOLWIR CO., LTD.; Executive Director of XIAMEN ESKA AUTOMOTIVE CO., LTD.; Executive Director of Xiamen Magni Coating Co., Ltd.; Executive Director of SUZHOU YESWIN MANUFACTURE INDUSTRY CO., LTD.; Executive Director of YESWIN (SHANGHAI) CORPORATION; Chairman of GUANGDONG BOLBAO METAL CO., LTD.; Chairman of BOLTUN BVI CORPORATION; Chairman of BQG International Holdings; Chairman of WRB INTERNATIONAL (B.V.I.) CORPORATION; Chairman of A-OKAY CORPORATION; Executive Director of BOLTUN UNITED HOLDINGS COMPANY, LLC; Executive Director of BOLTUN UNITED REAL ESTATE COMPANY, LLC; Chairman of QST (BVI) CORPORATION; Chairman of BOLTUN INTERNATIONAL COMPANY LIMITED.

Note 2: Supervisor of Fontec Industrial Co., Ltd., and Chairman of Lasting Credibility International Investors Co., Ltd., and Director of Iron Force Industrial Co., Ltd.

Note 3: Director and Executive Director of BOLTUN CORPORATION; Director of BOLTUN PRECISION CORPORATION; Director of NORMTECH CORPORATION; Supervisor of A-OKAY INDUSTRIAL COMPANY LTD.; Director of Pin Hua Corporation; Chairman of YONG TONG Holdings Corporation; Director of QST HOLDING CO., LTD.; Director of LI-HWA HOLDING LTD.; Director of BEU Holdings Corporation; Director of Real Touch Corporation; Director of STRONG ONE CORPORATION; Director of Genplus International Co., Ltd.; Director of Q-NUTS INDUSTRIAL CORP.

Note 4: Supervisor of BOLTUN CORPORATION; Director of Hejian International Investment Co., Ltd.; Chairman of Great Trust Corporation; Director, of QST HOLDING CO., LTD; Director of Lihua Investment Co., Ltd.; Chairman of REAL TOUCH CORPORATION; Director of STRONG ONE CORPORATION; Director of CIMFORCE INTERNATIONAL LIMITED; President of SUZHOU YESWIN MANUFACTURE INDUSTRY CO., LTD.; President of YESWIN (SHANGHAI) CORPORATION and Executive Director of Frank Sieber GmbH tools and design.

Note 5: Assistant Vice President of Information Department and Assistant Vice President of Surface Treatment Department and Special Assistant of President's Office of BOLTUN CORPORATION; Supervisor of HE JIAN Holdings Corporation; Director of Great Trust Corporation; Supervisor of QST HOLDING CO., LTD.; Supervisor of LI-HWA HOLDING LTD.; Supervisor of BEU Holdings Corporation; Supervisor of Real Touch Corporation; Supervisor of STRONG ONE CORPORATION; Supervisor of QDT TOOLING INC.; Supervisor of Genplus International Co., Ltd.; Director of CIMFORCE International Limited; Supervisor of Wu's Plastic Products Co., Ltd.; Supervisor of XIAMEN BOLTUN METAL CO., LTD.; Supervisor of XIAMEN BOLTEC METAL CO., LTD.; Supervisor of XIAMEN BOLMAC CO., LTD.; Supervisor of XIAMEN BOLWIR CO., LTD.; Supervisor of XIAMEN ESKA AUTOMOTIVE CO., LTD.; Supervisor of SUZHOU YESWIN MANUFACTURE INDUSTRY CO., LTD.; Supervisor of YESWIN (SHANGHAI) CORPORATION; Supervisor of SUZHOU CASEY PRODUCTS CO., LTD.; Supervisor of Suzhou Q-Lab Inc.

Note 6: Attorney of Chang An Law Firm; Director of Man Zai Industrial Co., Ltd.

Note 7: Partner Accountant of Pan-China (TW) CPAs, Kaohsiung Branch; Independent Director of Ma Kuang Healthcare Holding Limited; Supervisor of Fwu Kuang Enterprises Co., Ltd.; Independent Director of Concord International Securities Co., Ltd.; Independent Director of New Best Wire Industrial Co., Ltd..; Director of Yong Ching International Co., Ltd.

Note 8: President of Chih Kuang Education Technology Co., Ltd., Chairman of Tainan Chih Kuang Charity Association, Chairman of Chih Kuang Lin Chin Jong Educational Foundation, and director of TEKOM Technology Co., Ltd.

Note 9: Chairman and President of Wei Chih Steel Industrial Co., Ltd., President of Uni-Soleil Enterprise Co., Ltd.

1. For directors acting as the representatives of corporate shareholders, indicate the names of the corporate shareholders, and the names of its 10 largest shareholders and the holding percentage of each:

April 11, 2026

Names of corporate shareholders	Major Shareholders of Corporate Shareholders
QST HOLDING CO., LTD.	LI-HWA HOLDING LTD. (100%)
Great Trust Corporation	Wu, Chien-Hsu (22.73%), Wu, Chien-Heng (22.73%), Shihsiung Investment Co., Ltd. (18.18%), Ming Ming Investment Co., Ltd. (18.18%), and Chingli Investment Co., Ltd. (18.18%)

2. Major Shareholder Listed is a Corporate/Juristic Person, List its Major Shareholders:

April 11, 2026

Names of corporate shareholders	Major shareholders of the corporate/juristic person (Note)
LI-HWA HOLDING LTD.	BOLTUN CORPORATION (78.42%), Wu, Chin-Chai (5.94%), Shihsiung Investment Co., Ltd. (4.37%), Ming Ming Investment Co., Ltd. (5.76%), and Chingli Investment Co., Ltd. (5.51%)
Shihsiung Investment Co., Ltd.	Kuo, Min-Hsiung (98.62%), Lin, Ming-Hung (1.38%)
Ming Ming Investment Co., Ltd.	Tsai, Yan-Hsing (66.46%); Wu, Ming-Hsien (32.28%); Lin, Ming-Hung (1.26%)
Chingli Investment Co., Ltd.	Hung, Ching-Hsiu (98.72%), Lin, Ming-Hung (1.28%)

Note: Major shareholders are the top 10 shareholders.

3. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Qualification / Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Representative of QST HOLDING CO., LTD.: Wu, Rong-Bin	He is the Chair of the Board of Directors and Chief Technology Officer of the Company and has been specializing in manufacturing and managing in the screw and nut industry for over 30 years. He has industry experience and working experience in commerce, finance and corporate business. With professional leadership, marketing, operational management, and strategic planning skills, he has been leading the company to become a leader in the industry and to move towards sustainable management. Not been a person of any conditions defined in Article 30 of the Company Act.	-	1

<table>
<tr><th>Qualification
Name</th><th>Professional qualifications and experience (Note 1)</th><th>Independence analysis (Note 2)</th><th>No. of other public companies at which the person concurrently serves as an independent director</th></tr>
<tr><td>Lin, Chin-Ning</td><td>Specialized in corporate planning and management, with practical skills in commerce, finance, marketing, operation and management. Not been a person of any conditions defined in Article 30 of the Company Act.</td><td>-</td><td>None</td></tr>
<tr><td>Representative of QST HOLDING CO., LTD.:
Wu, Rong-Chin</td><td>Specialized in manufacturing and management of the screw and nut industry, with the necessary working experience in industry, commerce and company businesses.
Not been a person of any conditions defined in Article 30 of the Company Act.</td><td>-</td><td>None</td></tr>
<tr><td>Representative of Great Trust Corporation:
Wu, Chien-Hsu</td><td>The current President, specializes in factory and company management , has practical experience in commerce, finance, marketing, operation and management , has an international outlook and global market leadership.
Not been a person of any conditions defined in Article 30 of the Company Act.</td><td>-</td><td>None</td></tr>
<tr><td>Representative of Great Trust Corporation:
Wu, Chien-Heng</td><td>He has experience in information technology, commerce and company businesses, and has practical experience and ability in management and administration.
Not been a person of any conditions defined in Article 30 of the Company Act.</td><td>-</td><td>None</td></tr>
<tr><td>Hwang, Chen-An</td><td>Work experience in legal and crisis management, he is currently a lawyer at Chang An Law Firm who has passed the national exams and received certificates. He possesses legal expertise and is familiar with relevant laws and regulations, and can provide advice on risk management, legal strategy and compliance and management decisions.
Not been a person of any conditions defined in Article 30 of the Company Act.</td><td rowspan="2">Be an independent director and meet the independence criteria, including but not limited to:
1. Neither the person himself/herself, his/her spouse, nor any relative within the second degree of kinship is a director, supervisor, or employee of the Company or its affiliated companies.
2. Neither the person himself/herself, his/her spouse, nor any relative within the second degree of kinship (or under others' names) holds any shares of the Company and the proportion thereof.</td><td>None</td></tr>
<tr><td>Hseu, Shun-Fa</td><td>A professional with experience in accounting and taxation who has passed the national examinations required for certified public accountants. He is currently a partner in the Pan-China (TW) CPAs, Kaohsiung Branch. His expertise, practical experience and familiarity with relevant laws and regulations in financial accounting and taxation are of great help to the Board of Directors in improving the management quality of corporate governance.
Not been a person of any conditions defined in Article 30 of the Company Act.</td><td>2</td></tr>
</table>

Qualification Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Lin, Chin-Jung	He specializes in the development and operation of the tutoring market, and runs the Chih Kuang Education Technology Group, which includes tutoring education, distance learning, book publishing, digital learning, and cloud learning, and has trained thousands of candidates for government and license examinations every year, making it the No. 1 brand for applying for government jobs. He has practical experience and excellent skills in commerce, finance, marketing, management and long-term development. Not been a person of any conditions defined in Article 30 of the Company Act.	3. Not being a director, supervisor or employee of a company with a specific relationship with the Company (as defined in Article 3, Paragraphs 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. No compensation received for providing commercial, legal, financial or accounting services to the Company or its affiliates in the last two years.	None
Kuo, Su-Hui	With nearly 30 years of dedication to steel-related industries, he possesses extensive industry experience as well as the professional expertise required in business, finance, and corporate operations, specializing in corporate operation and management. Not been a person of any conditions defined in Article 30 of the Company Act.		None

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

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

4. Diversity and Independence of the Board of Directors:

(I) Diversity of board members and implementation:

1. Diversification policy:

The Company advocates and respects the diversity policy of the Board of Directors, and believes that the diversity policy will help improve the overall performance of the Company. In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company has referred to relevant laws and regulations and has been approved by the Board of Directors to comply with the "Corporate Governance Best Practice Principles." Pursuant to Article 20 of the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors should be diversified. The clauses are excerpted as follows:

Article 20

The Company's Board of Directors shall guide the Company's strategies, supervise the management, and be accountable to the Company and its shareholders. The operations and arrangements of its corporate governance system shall ensure that the Board of Directors exercises its powers in accordance with laws and regulations, the Articles of Incorporation or the resolutions of shareholders' meetings.

The structure of the Company’s Board of Directors should be based on the scale of the Company’s business development and the shareholdings of major shareholders, and the need for practical operations, and should determine an appropriate number of directors for five or more members.

The composition of the board of directors shall take diversity into account, and appropriate policies shall be adopted for diversity in terms of its own operation, business model and development needs. It should include but not be limited to the following two major standards:

i) Basic conditions and values: gender, age, nationality and culture, among others.

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

Members of the Board of Directors shall generally possess the necessary knowledge, skills, and literacy to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities:

i) Ability to make operational judgments.

ii) Ability to perform accounting and financial analysis.

iii) Ability to conduct management administration.

iv) Ability to conduct crisis management.

v) Knowledge of the industry.

vi) An international market perspective.

vii) Ability to lead.

viii) Ability to make policy decision.

2. The specific management objectives of the diversification policy and the achievement of the following:

Serial number	Management purpose:	Status of Achievement
1.	The number of independent directors is more than one-third of the total number of directors.	Achieved
2.	The consecutive tenure of more than one half of the independent directors shall not exceed three terms.	Achieved
3.	In order to implement and promote the government's "sustainable development action plan", increase the participation of women in decision-making and improve the structure of the Board of Directors, the Board of Directors shall include at least one female director.	Achieved (Appointed in June 2025)
4.	The Company's Board of Directors should guide the Company's strategy, supervise the management and be accountable to the Company and shareholders. Therefore, the selection of board members is based on the principle of ability. In addition to possessing the knowledge, experience and skills required for the positions, the members shall have the professional backgrounds, experiences, skills and qualities in different industries, and have diversified and complementary capabilities across industrial fields.	Achieved
5.	More than half of the directors shall not be a spouse or a relative within the second degree of kinship.	Achieved

3. The implementation of diversity in the Board of Directors of the Company is as follows:

Diversified Core Competences / Name	Basic composition										Industry Background/ Experience						Professional knowledge/ ability				
	Nationality	Gender	Employee status	Age					Seniority of independent director		Metals and Machines	Marketing	Financial Accounting and Finance	Legal Affairs and Taxation	International Trade	Information Technology	Law and Tax Law	Finance and Accounting	Operation Management	Leadership and Decision Making	Risk Management
				31 to 40 years old	41 to 50 years old	51 to 60 years old	61 to 70 years old	71 to 80 years old	1 to 9 years	More than 9 years											
Representative of QST HOLDING CO., LTD.: Wu, Rong-Bin	Republic of China	Male	✓				✓				✓	✓	✓		✓			✓	✓	✓	✓
Lin, Chin-Ning	Republic of China	Male					✓				✓	✓	✓		✓			✓	✓	✓	✓
Representative of QST HOLDING CO., LTD.: Wu, Rong-Chin	Republic of China	Male	✓				✓				✓								✓	✓	✓
Representative of Great Trust Corporation: Wu, Chien-Hsu	Republic of China	Male	✓		✓						✓	✓	✓		✓			✓	✓	✓	✓
Representative of Great Trust Corporation: Wu, Chien-Heng	Republic of China	Male	✓	✓												✓			✓	✓	✓
Hwang, Chen-An (Independent director)	Republic of China	Male						✓		✓				✓			✓		✓	✓	✓
Hseu, Shun-Fa (Independent director)	Republic of China	Male					✓			✓			✓	✓			✓	✓	✓	✓	✓
Lin, Chin-Jung (Independent director)	Republic of China	Male						✓	✓			✓	✓		✓			✓	✓	✓	✓
Kuo, Su-Hui (Independent director)	Republic of China	Female				✓			✓		✓	✓	✓		✓			✓	✓	✓	✓

(1) The Company's board members are diverse, including different ages, industry backgrounds and experiences, professional knowledge and abilities.

① ● The Company’s 14th Board of Directors consists of 9 directors, including 4 independent directors, accounting for 44%;

● All 9 directors are of Taiwanese nationality, with 5 directors not holding employee status, accounting for 56%;

● Two independent directors have served for no more than three consecutive terms, accounting for 50% of all independent directors;

● One female director, accounting for 11% of the Board of Directors;

● The average age of the directors is 61 years old. One (11%) of the directors is between the ages of 31 and 40, one (11%) is between 41 and 50, one (11%) is between 51 and 60, four (45%) are between 61 and 70, and two (22%) are over 71 years old.

② There are 9 directors in the Company. All of them are competent in operational judgment, leadership and decision-making, business management, international market outlook, and crisis management. They also have different industrial backgrounds and experiences as well as professional knowledge and abilities .

● Those with experience in the metal and machinery industries: Chair Wu, Rong-Bin, director Wu, Rong-Chin, director Lin, Chin-Ning, director Wu, Rong-Chin, director Wu, Chien-Hsu and Independent Director Kuo, Su-Hui;

● Those who are good at marketing and international business: Chair Wu, Rong-Bin, director Lin, Chin-Ning, director Wu, Chien-Hsu, Independent Directors Lin, Chin-Jung, and Kuo, Su-Hui;

● Managers who are good at technological innovation and apply them to the company and factories: Director Wu, Chien-Heng;

● Specialized in legal affairs and has served as a member of the legislature: Independent Director Hwang, Chen-An;

● Individuals capable of accounting and taxation as well as practical and managerial experience: Independent Director Hseu, Shun-Fa.

(2) The reasons why the number of directors of any gender on the Board is less than one-third of the number of director seats, and the measures adopted to enhance the gender diversity of the board members：

The Company is a domestic manufacturer of steel and metal fasteners, manufacturing steel and metal fasteners, and is classified as a traditional industry. Due to the nature of the industry, it is difficult to find qualified female director candidates in the short term. However, in order to implement and promote the government's "Action Plan for Sustainable Development", to increase the participation of women in decision-making, and improve the structure of the Board of Directors, the Company has elected one female director in June 2025 to form the 14th Board of Directors. At the same time, the Company actively seeks out suitable female director candidates, continues to promote gender diversity, and gradually increases the proportion of female directors on the Board to achieve the goal of diversified governance.

The orientation, complementarity and implementation of directors' diversity have been included in the standards set out in Article 20 of the "Corporate Governance Best Practice Principles" of the Company. The diversification policy will be revised in a timely manner based on the operation of the Board of Directors, the type of operation and the development needs, including but not limited to the two major standards of basic conditions and values, professional knowledge and skills, to ensure that members of the Board of Directors should generally have the knowledge, skills and qualities necessary to perform their duties in the future.

(II) Independence of the Board of Directors: specify the number and weight of independent directors, whether the Board of Directors is independent, and explain with reasons whether there are no matters specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, including a description Relationships between directors, supervisors, or between a director and a supervisor, as a spouse or a relative within the second degree of kinship.

1. The Company re-elected its 14th Board of Directors, consisting of 9 members, on June 11, 2025. To maintain the independence of the board, 4 independent directors, accounting for 44%, were appointed with qualifications ensuring independence. Among the remaining 5 directors, 1 does not hold employee status. Through the participation of non-employee directors and independent directors (accounting for a combined 56%), the independence of the Company’s Board of Directors has been effectively enhanced.
2. The four independent directors of the Company do not have the conditions specified in Article 30 of the Company Act and a declaration of compliance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" to ensure the professionalism, independence and legitimacy of the independent directors; and To ensure that independent directors can exercise their powers objectively and avoid the deterioration of their independence due to prolonged service, two independent directors have served less than three consecutive terms.
3. According to the third paragraph of Article 26-3 of the "Securities and Exchange Act", the directors shall have more than half of the seats and shall not be a spouse or relative within the second degree of kinship. There shall be 5 directors (more than half of the directors) does not have a spouse or relative within the second degree of kinship, and complies with the provisions of the Securities and Exchange Act.

In addition, the Company does not have supervisors, and the requirement that at least one supervisor among supervisors or between supervisors and directors, and not being a spouse or a relative within two degrees of kinship as stated in the second paragraph of Article 26-3 of the “Securities and Exchange Act,” does not apply.

In conclusion, the Board of Directors of the Company is considered to be independent to exercise its duties and powers.

(II) Information on the company's general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

April 11, 2026; Unit: Share; %

Title	Nationality	Name	Gender	Date of election/appointment to current term	Shareholding (shares)		Shareholding of 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	Managers who are a spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director and President	Republic of China	Wu, Chien-Hsu	Male	June 27, 2016	1,869,360	0.90	16,498	0.01	0	0	●M.S. of Graduate Institute of Electrical and Computer Engineering, Tamkang University ●Chairman of Real Touch Corporation	Note 1	Chairman and Chief Technology Officer Director and Vice President of Operations	Wu, Rong-Bin Wu, Chien-Heng	1st degree of kinship 2nd degree of kinship	
Chairman and Chief Technology Officer	Republic of China	Wu, Rong-Bin	Male	August 10, 2022	10,034,689	4.81	1,018,906	0.49	0	0	●B.A. in Mechanical Engineering, Tamkang University ●Factory Manager, San Shing Fastech Corp.	Note 2	Director and President Director and Vice President of Operations	Wu, Chien-Hsu Wu, Chien-Heng	1st degree of kinship 1st degree of kinship	
Director and Vice President of Operations	Republic of China	Wu, Chien-Heng	Male	December 1, 2024	49,494	0.02	16,498	0.01	0	0	●M.S. in Computer & Communication Engineering, National Cheng Kung University ●Senior Software Engineer, Delta Networks, Inc.	Note 3	Chairman and Chief Technology Officer Director and President	Wu, Rong-Bin Wu, Chien-Hsu	1st degree of kinship 2nd degree of kinship	
Vice President, Administration Department	Republic of China	Hsu, Chi-Wen	Male	July 1, 2011	1,356,048	0.65	0	0	0	0	●Department of Information Management, National Chengchi University ●Institute of Banking and Finance, National Kaohsiung First University of Science and Technology ●Manager of Tainan District, CTBC Bank Co., Ltd.	Note 4	None	None	None	
Assistant Vice President	Republic of China	Hsieh, Mu-Chueh	Male	August 15, 2013	100,974 *24,257	0.05 0.24	0	0	0	0	●Department of Industrial and Systems Engineering, Chung Yuan Christian University ●Quality Assurance Manager and Laboratory Manager and Responsible Person of San Shing Fastech Corp. ●Manager of Pin Nung Enterprise	Note 5	None	None	None	
Assistant Vice President	Republic of China	Ying, Chin-Chuan	Female	December 1, 2014	486,298	0.23	0	0	0	0	●Department of Foreign Languages and Literature, National Cheng Kung University ●Fu Guang Enterprise Business	None	None	None	None	
Financial Supervisor	Republic of China	Wang, Yu-Hui	Female	December 1, 2011	136,315	0.07	0	0	0	0	●Department of Food and Nutrition, Chung Hwa Medical University ● Accounting, Han Tai Technology Co., Ltd. ● Specialist of Finance Department, San Shing Fastech Corp.	None	None	None	None	
Accounting Supervisor	Republic of China	Ou, Ling-Feng	Female	December 1, 2014	123,624	0.06	0	0	0	0	●Department of Accounting and Statistics, Taichung University of Business and Technology ●Bookkeeping clerk, Sunshine & Co., CPAs	None	None	None	None	

Note 1: Supervisor of BOLTUN CORPORATION; Director of Hejian International Investment Co., Ltd.; Chairman of Great Trust Corporation; Director, of QST HOLDING CO., LTD; Director of Lihua Investment Co., Ltd.; Chairman of REAL TOUCH CORPORATION; Director of STRONG ONE CORPORATION; Director of CIMFORCE INTERNATIONAL LIMITED; President of SUZHOU YESWIN MANUFACTURE INDUSTRY CO., LTD.; President of YESWIN (SHANGHAI) CORPORATION and Executive Director of Frank Sieber GmbH tools and design.

Note 2: Chairman and President of BOLTUN CORPORATION; Chairman of Boltun Precision Corporation; Chairman of Normtech Corporation; Chairman of A-Okay Industrial Company Ltd.; Chairman of Boltun Casting Corporation; Chairman of Bofood Corporation; Chairman of Pin Hua Corporation; Chairman of HE JIAN Holdings Corporation; Chairman of QST HOLDING CO., LTD.; Chairman of LI-HWA HOLDING LTD.; Chairman of BEU Holdings Corporation; Chairman of Boltun Investment Corporation; Chairman of Smart Farming Corporation; Chairman of FONG YUAN Publishing Corporation; Director of Real Touch Corporation; Chairman of STRONG ONE CORPORATION; Director of Asia Pacific Plating Corporation; Supervisor of King Shun-Li Industrial Co.; Supervisor of Gen-Yee Enterprise Co., Ltd.; Supervisor of Yeswin Machinery Co., Ltd.; Chairman of Wu's Plastic Products Co., Ltd.; Director of Ori-Genic Biotech Corporation; Chairman of Nugreen Bio AgriTech Corporation; Chairman of RITZY VISION CO., LTD.; Chairman of Xinyi Debao Co., Ltd.; Chairman of NUTEC ENERGY CORPORATION; Director of TAIWAN EARNING CO., LTD.; Independent Director of XXENTRIA TECHNOLOGY MATERIALS CO., LTD.; Chairman of EzAi Health Co., Ltd.; Executive Director of XIAMEN BOLTUN METAL CO., LTD.; Executive Director of XIAMEN BOLTEC METAL CO., LTD.; Executive Director of XIAMEN BOLMAC CO., LTD.; Executive Director of XIAMEN BOLWIR CO., LTD.; Executive Director of XIAMEN ESKA AUTOMOTIVE CO., LTD.; Executive Director of Xiamen Magni Coating Co., Ltd.; Executive Director of SUZHOU YESWIN MANUFACTURE INDUSTRY CO., LTD.; Executive Director of YESWIN (SHANGHAI) CORPORATION; Chairman of GUANGDONG BOLBAO METAL CO., LTD.; Chairman of BOLTUN BVI CORPORATION; Chairman of BQG International Holdings; Chairman of WRB INTERNATIONAL (B.V.I.) CORPORATION; Chairman of A-OKAY CORPORATION; Executive Director of BOLTUN UNITED HOLDINGS COMPANY, LLC; Executive Director of BOLTUN UNITED REAL ESTATE COMPANY, LLC; Chairman of QST (BVI) CORPORATION; Chairman of BOLTUN INTERNATIONAL COMPANY LIMITED.

Note 3: Assistant Vice President of Information Department and Assistant Vice President of Surface Treatment Department and Special Assistant of President's Office of BOLTUN CORPORATION; Supervisor of HE JIAN Holdings Corporation; Director of Great Trust Corporation; Supervisor of QST HOLDING CO., LTD.; Supervisor of LI-HWA HOLDING LTD.; Supervisor of BEU Holdings Corporation; Supervisor of Real Touch Corporation; Supervisor of STRONG ONE CORPORATION; Supervisor of QDT TOOLING INC.; Supervisor of Genplus International Co., Ltd.; Director of CIMFORCE International Limited; Supervisor of Wu's Plastic Products Co., Ltd.; Supervisor of XIAMEN BOLTUN METAL CO., LTD.; Supervisor of XIAMEN BOLTEC METAL CO., LTD.; Supervisor of XIAMEN BOLMAC CO., LTD.; Supervisor of XIAMEN BOLWIR CO., LTD.; Supervisor of XIAMEN ESKA AUTOMOTIVE CO., LTD.; Supervisor of SUZHOU YESWIN MANUFACTURE INDUSTRY CO., LTD.; Supervisor of YESWIN (SHANGHAI) CORPORATION; Supervisor of SUZHOU CASEY PRODUCTS CO., LTD.; Supervisor of Suzhou Q-Lab Inc.

Note 4: Special Assistant to the President's Office of BOLTUN CORPORATION; Director of Smart Farming Corporation; Supervisor of SUNNY CHEMICAL TECHNOLOGY CORPORATION; Supervisor of EN Chemical Corp.; Chairman of HK ESKA Automotive Limited; Executive Director of ESKA Automotive GmbH; Executive Director of Boltun Europe Holdings GmbH & Co. KG; Executive Director of Boltun Europe Verwaltungs GmbH; Executive Director of Boltun Europe Logistik GmbH; Executive Director of Boltun Europe real estate GmbH; Executive Director of Frank Sieber GmbH tools and design.

Note 5: Assistant Vice President of Quality Assurance Department and Head of Laboratories of BOLTUN CORPORATION; Chairman and President of Q-LAB, INC.; Chairman of QDT TOOLING INC.; Supervisor of MITAKE CORPORATION; Executive Director and President of Suzhou Q-Lab Inc. (Suzhou Q-Lab Inc.); Director of Q-Lab Inc.

Note 6: Incumbents on the date of publication of the annual report.

Note 7: "*" in the table represents preferred shares.

(3) If the Chairman and the President or an equivalent position (the highest-level manager) are the same person, spouses, or first-degree relatives, the reasons, reasonableness, necessity, and corresponding measures shall be explained.

The Chairman and the President of the Company are related to the first degree of kinship. Each has expertise and a clear division of responsibilities. By virtue of the management's strong talents and professionalism, they can enhance operational performance, maintain the normal development of company operations, and protect shareholders' rights. The countermeasures are:

1. Increase the number of independent directors and establish an audit committee as required by law to enhance the functions of the board of directors and strengthen the supervision role.
2. The Company has established an Audit Committee on June 14, 2022 in accordance with the relevant provisions of the Securities and Exchange Act, and re-elected the 14th term of the Board of Directors on June 11, 2025 upon the expiration of the previous term; nine directors (including four independent directors) were elected. All independent directors will serve as members of the 2nd Audit Committee for the term from June 11, 2025 to June 10, 2028.

II. Remuneration paid during the most recent fiscal year to directors, supervisors, President, and Vice Presidents

(I) Remuneration paid to Directors (including Independent Directors):

Unit: NT$ thousands

Title	Name	Remuneration paid 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) (Note 2)		Employee profit-sharing compensation (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 and Chief Technology Officer	Representative of QST HOLDING CO., LTD.: Wu, Rong-Bin	0	0	0	0	4,500	4,500	380	380	4,880 1.18%	4,880 1.18%	8,450	9,729	108	108	3,832	0	3,832	0	17,270 4.16%	18,549 4.47%	None
Director	Lin, Chin-Ning																					
Director	QST HOLDING CO., LTD. Representative: Wu, Rong-Chin																					
Director and President	Representative of Great Trust Corporation: Wu, Chien-Hsu																					
Director and Vice President of Operations	Representative of Great Trust Corporation: Wu, Chien-Heng																					
Independent director	Hwang, Chen-An	0	0	0	0	3,600	3,600	280	280	3,880 0.93%	3,880 0.93%	0	0	0	0	0	0	0	0	3,880 0.93%	3,880 0.93%	None
Independent director	Hseu, Shun-Fa																					
Independent director	Lin, Chin-Jung																					
Independent director	Kuo, Su-Hui (Note 3)																					
Independent director	Wei, Tsan-Wen (Note 4)																					

1. Please state the policy, system, standard and structure of the remuneration to independent directors, and the correlation to the amount of remuneration based on the responsibilities, risks, time invested and other factors:
   The remuneration to the Company's independent directors is based on the evaluation results of the "Remuneration Committee Charter". The content and amount of the remuneration to independent directors are based on the achievement of individual performance targets. The remuneration is approved by the Remuneration Committee and then submitted to the Board of Directors for approval.
2. Other than the disclosure in the above table, remuneration for directors in the most recent year for providing services (e.g. serving as a consultant to non-employees of the parent company/all companies included in the financial statements/reinvested enterprises) : None

Note 1: The amounts of directors' remuneration and employees' remuneration are the amounts approved by the board of directors in the most recent year.

Note 2: The amount of pension fund contributed by the Company in accordance with the law is NT$108 thousand, and no pension fund is actually received by any employee.

Note 3: Independent director Kuo, Su-Hui is a newly elected independent director upon the expiration of the Board of Directors' term on June 11, 2025.

Note 4: Independent director Wei, Tsan-Wen passed away on March 26, 2025, and was naturally discharged from office.

Ranges of remuneration paid to each of the Company's directors	Director's Name			
	2025			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Less than $1,000,000	Representative of QST HOLDING CO., LTD.: Wu, Rong-Bin Representative of QST HOLDING CO., LTD.: Wu, Rong-Chin Representative of Great Trust Corporation: Wu, Chien-Hsu Representative of Great Trust Corporation: Wu, Chien-Heng Lin, Chin-Ning, Hwang, Chen-An, Hseu, Shun-Fa, Lin, Chin-Jung, Kuo, Su-Hui, Wei, Tsan-Wen	Representative of QST HOLDING CO., LTD.: Wu, Rong-Bin Representative of QST HOLDING CO., LTD.: Wu, Rong-Chin Representative of Great Trust Corporation: Wu, Chien-Hsu Representative of Great Trust Corporation: Wu, Chien-Heng Lin, Chin-Ning, Hwang, Chen-An, Hseu, Shun-Fa, Lin, Chin-Jung, Kuo, Su-Hui, Wei, Tsan-Wen	Lin, Chin-Ning, Hwang, Chen-An, Hseu, Shun-Fa, Lin, Chin-Jung, Kuo, Su-Hui, Wei, Tsan-Wen	Lin, Chin-Ning, Hwang, Chen-An, Hseu, Shun-Fa, Lin, Chin-Jung, Kuo, Su-Hui, Wei, Tsan-Wen
NT$1,000,000 (incl.)–NT$2,000,000 (excl.)	None	None	None	None
NT$2,000,000 (incl.)–NT$3,500,000 (excl.)	None	None	Representative of QST HOLDING CO., LTD.: Wu, Rong-Chin	Representative of QST HOLDING CO., LTD.: Wu, Rong-Chin
NT$3,500,000 (incl.)–NT$5,000,000 (excl.)	None	None	Representative of QST HOLDING CO., LTD.: Wu, Rong-Bin Representative of Great Trust Corporation: Wu, Chien-Hsu Representative of Great Trust Corporation: Wu, Chien-Heng	Representative of Great Trust Corporation: Wu, Chien-Heng
NT$5,000,000 (incl.)–NT$10,000,000 (excl.)	None	None	None	Representative of QST HOLDING CO., LTD.: Wu, Rong-Bin Representative of Great Trust Corporation: Wu, Chien-Hsu
NT$10,000,000 (incl.)–NT$15,000,000 (excl.)	None	None	None	None
NT$15,000,000 (incl.)–NT$30,000,000 (excl.)	None	None	None	None
NT$30,000,000 (incl.)–NT$50,000,000 (excl.)	None	None	None	None
NT$50,000,000 (incl.)–NT$100,000,000 (excl.)	None	None	None	None
NT$100,000,000 or above	None	None	None	None
Total	Total of 10 people	Total of 10 people	Total of 10 people	Total of 10 people

(II) Remuneration to supervisors: The Company has set up an Audit Committee to replace supervisors

(III) Remuneration to President(s) and Vice President(s)

Unit: NT$ thousands

Title	Name	Salary (A)		Retirement pay and pension (B) (Note1)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note 2)				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			
Director and President	Wu, Chien-Hsu	7,240	9,448	211	211	1,314	1,438	4,508	0	4,508	0	13,273 3.20%	15,605 3.76%	None
Chairman and Chief Technology Officer	Wu, Rong-Bin													
Vice President of Operations	Wu, Chien-Heng													
Vice President, Administration Department	Hsu, Chi-Wen													

Note 1: The amount of pension fund contributed by the Company in accordance with the law is NT$211 thousand, and no pension fund is actually received by any employee.

Note 2: The amount of employees' compensation is the amount approved by the board of directors to be distributed in the most recent year.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's President(s) and Vice President(s)	Name of President(s) and Vice President(s)	
	2025	
	The Company	All Consolidated Entities
Less than $1,000,000	None	None
NT$1,000,000 (incl.)–NT$2,000,000 (excl.)	None	None
NT$2,000,000 (incl.)–NT$3,500,000 (excl.)	Wu, Chien-Heng, Hsu, Chi-Wen	Wu, Chien-Heng
NT$3,500,000 (incl.)–NT$5,000,000 (excl.)	Wu, Rong-Bin, Wu, Chien-Hsu	Wu, Rong-Bin, Wu, Chien-Hsu, Hsu, Chi-Wen
NT$5,000,000 (incl.)–NT$10,000,000 (excl.)	None	None
NT$10,000,000 (incl.)–NT$15,000,000 (excl.)	None	None
NT$15,000,000 (incl.)–NT$30,000,000 (excl.)	None	None
NT$30,000,000 (incl.)–NT$50,000,000 (excl.)	None	None
NT$50,000,000 (incl.)–NT$100,000,000 (excl.)	None	None
NT$100,000,000 or above	None	None
Total	Total of 4 people	Total of 4 people

(IV) The name of the manager who received the employees' compensation and the distribution status:

December 31, 2025; Unit: NT$ thousands

	Title	Name	Amount in stock	Amount in cash	Total	Total remuneration as a percentage of net income (%)
Managerial Officers	Director and President	Wu, Chien-Hsu	0	6,203	6,203	1.49%
	Chairman and Chief Technology Officer	Wu, Rong-Bin				
	Vice President of Operations	Wu, Chien-Heng				
	Vice President, Administration Department	Hsu, Chi-Wen				
	Assistant Vice President	Hsieh, Mu-Chueh				
	Assistant Vice President	Ying, Chin-Chuan				
	Financial Supervisor	Wang, Yu-Hui				
	Accounting Supervisor	Ou, Ling-Feng				

(V) Total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

Item / Title	Total remuneration as a percentage of net income			
	2025		2024	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	5.09%	5.40%	3.51%	3.68%
President (concurrently serving as a director) and vice president	3.20%	3.76%	1.32%	1.63%

1. The remuneration to directors shall be paid in accordance with the Company's Articles of Incorporation. The Company shall use the current year's pre-tax income before allocating employees' remuneration and directors' remuneration to cover the accumulated losses. If there is any remaining balance, not less than 3% (no less than 20% of the employee compensation amount shall be appropriated as compensation for entry-level employees) and not more than 2% of the balance shall be appropriated for employees' compensation and remuneration to directors, respectively. In addition, remuneration for part-time employees shall be paid on a monthly basis in accordance with the Company's salary standards.

2. The remuneration to directors and employees bonuses shall be determined based on the operating performance of the Company. The bonuses to the President and Vice President of the Company shall be appropriately adjusted according to the operating performance of the Company as well. The reasonableness of wages and salaries shall be approved by the Remuneration Committee and subsequently submitted to the Board of Directors for resolution.

III. Operations of Corporate Governance

(I) Information on the operation of the Board of Directors:

Term of the current (14th) Board of Directors: June 11, 2025 to June 10, 2028.
The Board of Directors met four times in 2025, and the attendance of directors was as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%) (Note)	Remarks
Chairman and Chief Technology Officer	QST HOLDING CO., LTD. Representative: Wu, Rong-Bin	4	0	100%	
Director	Lin, Chin-Ning	4	0	100%	
Director	QST HOLDING CO., LTD. Representative: Wu, Rong-Chin	3	1	75%	
Director and President	Great Trust Corporation Representative: Wu, Chien-Hsu	3	1	75%	
Director and Vice President of Operations	Great Trust Corporation Representative: Wu, Chien-Heng	4	0	100%	
Independent director	Hwang, Chen-An	4	0	100%	
Independent director	Hseu, Shun-Fa	4	0	100%	
ndependent director	Lin, Chin-Jung	3	0	75%	
Independent director	Kuo, Su-Hui	4	0	100%	

Note: The list is shown as the no. of meetings attended in person/the total no. of attendance required during the term of office.

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(1) Any matter under Article 14-3 of the Securities and Exchange Act.

Board meeting term and date	Content of the motion(s)	Measures taken by the Company based on the opinions of the independent directors
The 16th meeting of the 13th term March 12, 2025	1. Approved the 2024 Business Report and Financial Statements of the Company.	All independent directors approved the resolution without objection.
	2. Approved the 2024 earnings distribution plan of the Company.	
	3. Approved the evaluation of the independence and suitability of the Company's CPAs.	
	4. Approved the proposal for the Statement on the Effectiveness of the Design and Implementation of the Company's Internal Control System for 2024.	
	5. Approved the amendments to the Company's Articles of Incorporation.	
	6. Approved the definition of the scope for the Company's entry-level employees.	
	7. Approved the subsidiary's proposed participation in the cash capital increase of Boltun International Company Limited.	
The 18th meeting of the 13th term May 9, 2025	1. Approved the motion for the Company's 2025 Q1 financial statements.	All independent directors approved the resolution without objection.
	2. Approved the loan limit provided to subsidiary Boltun Europe Holdings GmbH & Co. KG.	
	3. Approved the proposal of lending funds by the subsidiary, XIAMEN BOLMAC CO., LTD.	
The 2nd meeting of the 14th term July 14, 2025	1. Approved the adjustment of capital expenditure budget for new plants of the Company.	All independent directors approved the resolution without objection.
	2. Approved the adjustment to the capital expenditure budget for the new plant construction of Boltun International Company Limited.	
The 3rd meeting of the 14th term August 8, 2025	1. Approved the motion for the Company's 2025 Q2 financial statements.	All independent directors approved the resolution without objection.
The 4th meeting of the 14th term November 10, 2025	1. Approved the motion for the Company's 2025 Q3 financial statements.	All independent directors approved the resolution without objection.
	2. Approved the discussion of the Company's 2026 annual audit plan.	
	3. Approved the amendments to the Company's internal control system.	

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: The independent directors had no objection or qualified opinion at the board meetings in 2025.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest:

Board meeting term and date	Content of the motion(s)	Name of director recused	Reasons for the avoidance	Participation in voting
The 15th meeting of the 13th term January 20, 2025	The proposal of the amount to be distributed to the managers for 2023 employees' compensation, please resolve.	Representative of QST HOLDING CO., LTD. Wu, Rong-Bin, representatives of Great Trust Corporation, Wu, Chien-Hsu and Wu, Chien-Heng.	Three directors, who are also managers of the Company, recused themselves from the distribution of the manager's employees' remuneration for 2023.	The acting chairperson, Independent Director Hseu, Shun-Fa, consulted all directors present (including one represented by proxy), and the proposal was approved as submitted without objection.
	The 2024 Year-end Bonus Plan for managers of the Company, please resolve.		Three directors, who are also managers of the Company, recused themselves from the distribution of the 2024 Year-end Bonus for managers of the Company.	
	The allocation of employee subscription quotas for managers in connection with the Company's domestic cash capital increase through the issuance of new shares, please resolve.		Three directors concurrently serve as managers of the Company and recused themselves from the allocation of employee subscription shares to managers for the issuance of new shares through domestic cash capital increase.	
	The proposal for adjustment of managers' remuneration, please resolve.		Three directors concurrently serve as managers of the Company and recused themselves from the salary adjustments for managers.	
The 1st meeting of the 14th term June 11, 2025 (Temporary)	The appointment of the President of the Company, please resolve.	Representative of Great Trust Corporation: Wu, Chien-Hsu	Mr. Wu, Chien-Hsu recused himself from the appointment of the Company's General Manager.	Remaining directors were consulted by the chair, all have agreed to pass the proposal without objection.
	The appointment of the 6th terms of the remuneration committee of the Company, please resolve.	Independent Directors: Mr. Hwang, Chen-An, Mr. Hseu, Shun-Fa and Ms. Kuo, Su-Hui	Three independent directors recused themselves from the Company's appointment of members of the 6th Remuneration Committee.	

Board meeting term and date	Content of the motion(s)	Name of director recused	Reasons for the avoidance	Participation in voting
The 3rd meeting of the 14th term August 8, 2025	The proposal of the 2024 directors' remuneration allocation, please resolve.	Wu, Rong-Bin and Wu, Rong-Chin, Representatives of Directors of QST HOLDING CO., LTD.; Mr. Wu, Chien-Heng, Representative of Great Trust Corporation; Mr. Lin, Chin-Ning, Director.	Four directors recused themselves from the distribution of the remuneration to directors for 2024.	Remaining directors presented were consulted by the acting chairperson, Independent Director Hseu, Shun-Fa, all have agreed to pass the proposal without objection.
	The proposal of the 2024 independent directors' remuneration allocation, please resolve.	Independent Directors: Mr. Hwang, Chen-An, Mr. Hseu, Shun-Fa and Mr. Lin, Chin-Jung	Three directors recused themselves from the distribution of the remuneration to independent directors for 2024.	Remaining directors were consulted by the chair, all have agreed to pass the proposal without objection.

III. Evaluation cycle, period, scope, method, and content of Self-Evaluation of the Board of Directors:

1. In order to implement corporate governance, improve the functions of the Company's Board of Directors, and establish performance targets to strengthen the operating efficiency of the Board of Directors, the Company has established the "Rules for Performance Evaluation of Board of Directors" on January 10, 2020 in accordance with Article 37 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and has amended the "Rules for Performance Evaluation of Board of Directors" in 2022 according to the latest laws and regulations.
2. The performance evaluation of the Board of Directors of the Company is carried out in accordance with the "Rules for Performance Evaluation of Board of Directors". The internal performance evaluation of the Board of Directors is conducted at least once a year. The evaluation scope covers the overall operation and performance of the Board of Directors, individual board members and functional committees. The results of the evaluation should be completed in the first quarter of the following year and reported to the Board of Directors.
3. The results of the 2025 board performance assessment were reported to the Board of Directors on February 2, 2026.
4. The Company's self-assessment score for 2025 was 100 on average, 98.53 for the Board of Directors, 100 for the Audit Committee and 100 for the Remuneration Committee, all of which were excellent. The overall operation of the Board of Directors and functional committees is sound and in line with the requirements of corporate governance. Each director has fulfilled his/her duty to effectively improve the functions of the Board of Directors and functional committees.

5. Evaluation cycle and duration, evaluation scope, method and evaluation content:

Evaluation cycle	Conduct evaluation once a year
Evaluation period	January 1 to December 31, 2025
Scope of evaluation	1. The board of directors as a whole; 2. Individual board members; 3. Audit Committee and 4. Remuneration Committee
Method of evaluation	Internal evaluation by the board, self-evaluations by individual board members, internal evaluation by functional committees, or evaluation by other appropriate methods.
Evaluation content	The criteria for evaluating the performance of the board of directors should cover the following five aspects: 1. Participation in the operation of the company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; and 5. Internal control The criteria for evaluating the performance of the board members should cover the following six aspects: 1. Alignment of the goals and missions of the company; 2. Awareness of the duties of a director; 3. Participation in the operation of the company; 4. Management of internal relationship and communication 5. The director's professionalism and continuing education; and 6. Internal control The criteria for evaluating the performance of the functional committees should cover the following five aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the functional committee; 3. Improvement of quality of decisions made by the functional committee; 4. Makeup of the functional committee and election of its members and 5. Internal control

6. The self-evaluation results of various aspects of the 2025 annual performance evaluation are as follows:

Self-assessment	Appraisal Aspect	Assessment items	Assessment results
Board members	Alignment of the goals and missions of the company;	3 items	Scored 100%
	Awareness of the duties of a director;	3 items	Scored 100%
	Participation in the operation of the company;	6 items	Scored 100%
	Management of internal relationship and communication	3 items	Scored 100%
	The director’s professionalism and continuing education; and	2 items	Scored 100%
	Internal control	3 items	Scored 100%
Board of Directors	Participation in the operation of the company;	10 items	Scored 96%
	Improvement of the quality of the board of directors’ decision making;	12 items	Scored 100%
	Composition and structure of the board of directors;	6 items	Scored 100%
	Election and continuing education of directors	6 items	Scored 96.67%
	Internal control	6 items	Scored 100%
Audit Committee	Participation in the operation of the company;	4 items	Scored 100%
	Awareness of the duties of the Audit Committee	5 items	Scored 100%
	Improvement of the decision-making quality of the Audit Committee	7 items	Scored 100%
	Composition of the Audit Committee and election of its members	3 items	Scored 100%
	Internal control	3 items	Scored 100%
Remuneration Committee	Participation in the operation of the company;	4 items	Scored 100%
	Awareness of the duties of the Remuneration Committee	5 items	Scored 100%
	Improving the quality of the Remuneration Committee's decision making	7 items	Scored 100%
	Composition of the Remuneration Committee and election of its members	3 items	Scored 100%
	Internal control	1 items	Scored 100%

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

1. The Article 15-1 of the Company's Articles of Incorporation provides that the Company shall establish an Audit Committee in accordance with the relevant provisions of the Securities and Exchange Act, and may establish other functional committees. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, at least one of whom shall have accounting or financial expertise. To strengthen the functions of the Board of Directors, the Company established the Audit Committee on June 14, 2022 in accordance with the relevant provisions of the Securities and Exchange Act. The 1st Audit Committee was composed of all independent directors. Following the re-election upon the expiration of the Board of Directors' term on June 11, 2025, all independent directors serve as members of the 2nd Audit Committee, with a term from June 11, 2025 to June 10, 2028.
2. The Board of Directors of the Company resolved on June 11, 2025 to appoint the 6th term of the Remuneration Committee. All independent directors are the members of the Remuneration Committee. The Remuneration Committee is responsible for establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policy, system, standards and structure of remuneration for the directors and managers of the Company.
3. The Company is committed to improve the information transparency of the Company. After the Board of Directors' meeting, the Company will publicly announce the important resolutions made by the Board of Directors in accordance with the regulations and disclose the information on the Company's website and the Market Observation Post System (MOPS), including major resolutions made by the Board of Directors and the relevant laws and regulations that the Company complies with, in order to provide shareholders with a better understanding of the Company's activities and improve the transparency of the Company's information.
4. Not only does the Company's Articles of Incorporation set forth the functions of the Board of Directors, but the Company has also established the "Regulations Governing Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to be followed. The Company has posted the directors' attendance at board meetings on the Market Observation Post System. The Company has also established the "Rules for Performance Evaluation of Board of Directors," "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managers," "Rules Governing the Scope of Powers of Independent Directors," "Corporate Governance Best-Practice Principles" and "Ethical Corporate Management Best-Practice Principles" to strengthen the operation of the Board of Directors and corporate governance.

(II) Information on the operation of the Audit Committee:

1. Information on the operation of the Audit Committee:

(1) In order to strengthen the functions of the Board of Directors, the Company has established the Audit Committee on June 14, 2022 in accordance with Article 14-4 of the "Securities and Exchange Act" and Article 3 of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies." The first Audit Committee was composed of all independent directors, and the "Charter of the Audit Committee" was adopted.
The Company re-elected the 14th term of the Board of Directors on June 11, 2025 upon the expiration of the previous term; nine directors (including four independent directors) were elected. All independent directors will serve as members of the 2nd Audit Committee for the term from June 11, 2025 to June 10, 2028.

(2) The Audit Committee operates with the primary purpose of overseeing the following matters:

① Proper presentation of the financial statements of the Company.
② Appointment (discharge) of Certified Public Accountant (CPA) and independence and performance of CPA.
③ Effective implementation of internal control of the Company.
④ Company's compliance with relevant laws and regulations.
⑤ Control of existing or potential risks of the Company.

(3) The duties of the Audit Committee include:

① Adoption or amendment of an internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
② Assessment of the effectiveness of the internal control system.
③ Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
④ A matter bearing on the personal interest of a director.
⑤ A transaction involving material asset or derivatives trading.
⑥ A material monetary loan, endorsement, or provision of guarantee.
⑦ The offering, issuance, or private placement of any equity-type securities.
⑧ The hiring, dismissal or remuneration of an attesting certified public accountant.
⑨ The appointment or dismissal of a financial, accounting, or internal auditing officer.
⑩ Annual financial reports signed or sealed by the chairman, a manager or an accounting chief, and financial reports for the second quarter audited and attested by a certified public accountant (CPA).
⑪ Proposals for business reports, earnings distributions or loss make-up.
⑫ Any other material matter so determined by the Company or the competent authority.

(4) The second term of the Audit Committee met four times in the most recent (2025) year (A), and the attendance of independent directors was as follows:

Title	Name	Attendance in Person (B)	No. of meetings attended by proxy	Attendance Rate in Person (%) (B/A)	Remarks
Independent director	Hwang, Chen-An	4	0	100%	
Independent director	Hseu, Shun-Fa	4	0	100%	
Independent director	Lin, Chin-Jung	3	0	75%	
Independent director	Kuo, Su-Hui	4	0	100%	

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting term, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee.

(I) Any matter under Article 14-5 of the Securities and Exchange Act.

Audit Committee term and date	Content of the motion(s)	Result of the motion(s)	Measures taken by the Company based on the opinions of the audit committee
The 13th meeting of the 1st term March 12, 2025	1. Proposed the 2024 Annual Report on Financial Statements of the Company.	All members present approved the motion without objection.	It was approved at the 11th meeting of the 16th term of the Board of Directors of the Company
	2. Proposed the 2024 earnings distribution plan of the Company.		
	3. Proposed the evaluation of the independence and suitability of the Company's CPAs.		
	4. Proposed the Statement on the Design and Implementation Effectiveness of the Company's Internal Control System for the year 2024.		
	5. Proposed the amendments to the Company's Articles of Incorporation.		
	6. Proposed the definition of the scope for the Company's entry-level employees.		
	7. Proposed the subsidiary's proposed participation in the cash capital increase of Boltun International Company Limited.		

Audit Committee term and date	Content of the motion(s)	Result of the motion(s)	Measures taken by the Company based on the opinions of the audit committee
The 14th meeting of the 1st term May 9, 2025	1. Proposed the motion for the Company's 2025 Q1 financial statements. 2. The loan limit provided to subsidiary Boltun Europe Holdings GmbH & Co. KG. 3. Proposed the lending funds by the subsidiary, XIAMEN BOLMAC CO., LTD.	All members present approved the motion without objection.	It was approved at the 18th meeting of the 13th term of the Board of Directors of the Company.
The 2nd meeting of the 2nd term July 14, 2025	1. Proposed the capital expenditure budget for the Company's newly built factory. 2. The adjustment to the capital expenditure budget for the new plant construction of Boltun International Company Limited.	All members present approved the motion without objection.	It was approved at the 2nd meeting of the 14th term of the Board of Directors of the Company.
The 3rd meeting of the 2nd term August 8, 2025	1. Proposed the motion for the Company's 2025 Q2 financial statements.	All members present approved the motion without objection.	It was approved at the 3rd meeting of the 14th term of the Board of Directors of the Company.
The 4th meeting of the 2nd term November 10, 2025	1. Proposed the motion for the Company's 2025 Q3 financial statements. 2. Proposed the discussion of the Company's 2026 annual audit plan. 3. Proposed the amendments to the Company's internal control system.	All members present approved the motion without objection.	It was approved at the 4th meeting of the 13th term of the Board of Directors of the Company.

(II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the Company's finances and business and the method(s) and outcomes of the communication):

(I) In accordance with the 2025 audit plan and schedule, the head of internal audit conducts internal control audits on the Company's financial and operational status. Audit reports for the previous month are sent via email to all independent directors on a monthly basis, with necessary communications conducted as needed. Details are as follows:

No.	Item	Content
(A)	Date and nature:	Once a month, via email.
(B)	Topic of communication:	The monthly internal audit operations for 2025 were carried out in accordance with the annual audit plan, with audit items detailed in (D).
(C)	Opinions of independent directors:	The independent directors had no objections to the audit reports for 2025.
(D)	Monthly audit items for 2025:	
	January	1. Sales cycle and collection, and compliance with laws and regulations. 2. Supervision and management of derivative financial instruments, and compliance with laws and regulations – December. 3. Lending of funds to others, and compliance with laws and regulations – Q4. 4. Endorsements and guarantees, and compliance with laws and regulations – Q4.
	February	1. Production cycle and compliance with laws and regulations. 2. Control of information and cybersecurity inspections, and compliance with laws and regulations. 3. Supervision and management of derivative financial instruments, and compliance with laws and regulations – January.
	March	1. Property, plant and equipment cycle, and compliance with laws and regulations. 2. Supervision and management of derivative financial instruments, and compliance with laws and regulations – February. 3. Report on the follow-up of deficiencies and irregularities – Q1.
	April	1. Financing cycle and compliance with laws and regulations. 2. Supervision and management of derivative financial instruments, and compliance with laws and regulations – March. 3. Lending of funds to others, and compliance with laws and regulations – Q1. 4. Endorsements and guarantees, and compliance with laws and regulations – Q1.
	May	1. Management of group enterprises, specific companies, and related party transactions, and compliance with laws and regulations. 2. Supervision and management of derivative financial instruments, and compliance with laws and regulations – April. 3. Management of the Audit Committee's operations, and compliance with laws and regulations.

		June	1. Investment cycle and compliance with laws and regulations. 2. Supervision and management of derivative financial instruments, and compliance with laws and regulations – May. 3. Report on the follow-up of deficiencies and irregularities – Q2.
		July	1. Procurement cycle and payments, and compliance with laws and regulations. 2. Supervision and management of derivative financial instruments, and compliance with laws and regulations – June. 3. Lending of funds to others, and compliance with laws and regulations – Q2. 4. Endorsements and guarantees, and compliance with laws and regulations – Q2.
		August	1. Payroll cycle and compliance with laws and regulations. 2. Procedures for acquiring or disposing of assets, and compliance with laws and regulations. 3. Supervision and management of derivative financial instruments, and compliance with laws and regulations – July.
		September	1. Computer cycle and compliance with laws and regulations. 2. Management of the Board of Directors' operations, and compliance with laws and regulations. 3. Supervision and management of derivative financial instruments, and compliance with laws and regulations – August. 4. Report on the follow-up of deficiencies and irregularities – Q3.
		October	1. Supervision and management of derivative financial instruments, and compliance with laws and regulations – September. 2. Lending of funds to others, and compliance with laws and regulations – Q3. 3. Endorsements and guarantees, and compliance with laws and regulations – Q3.
		November	1. Subsidiary supervision and auditing, and compliance with laws and regulations. 2. Procedures for accounting professional judgments, changes in accounting policies and estimates, and compliance with laws and regulations. 3. Management of the financial statement preparation process and management of the application of IFRS, and compliance with laws and regulations. 4. Supervision and management of derivative financial instruments, and compliance with laws and regulations – October.
		December	1. Management of the Remuneration Committee's operations and compliance with laws and regulations. 2. Supervision and management of derivative financial instruments, and compliance with laws and regulations – November. 3. Management of sustainability information and compliance with laws and regulations 4. Follow-up report on deficiencies and irregularities – Q4.

(II) The head of internal audit attended the Company's 2025 regular board meetings and presented the internal audit reports. The audit reports (including follow-up reports) were provided to the independent directors as required, and the independent directors had no objections to the contents of the reports. In 2025, the head of internal audit also participated in the Audit Committee meetings for audit-related proposals.

Date of Board of Directors' meeting	Financing	Content of topics	Opinions of independent directors
March 12, 2025	Report on attendance of Board of Directors' meetings	Internal audit report for Q4, 2024	All attending independent directors raised no objections to the contents of the report.
May 9, 2025	Report on attendance of Board of Directors' meetings	Internal audit report for Q1, 2025	
August 8, 2025	Report on attendance of Board of Directors' meetings	Internal audit report for Q2, 2025	
November 10, 2025	Report on attendance of Board of Directors' meetings	Internal audit report for Q3, 2025	
March 11, 2026	Report on attendance of Board of Directors' meetings	Internal audit report for Q4, 2025	

(III) At least once a year, after the review or audit of the annual financial statements, the CPA shall hold a face-to-face meeting with the independent directors to communicate with them on the significant findings and results of the audit of the Company's financial statements, the matters required to be communicated under other relevant laws and regulations, and whether there is any material impact on the latest laws or regulations. The head of internal audit also attended the face-to-face seminars held in 2025, with details of the seminars as follows:

Date of seminar	Financing	Topic of communication	Opinions of independent directors
March 12, 2025	Face-to-face seminar	Face-to-face communication was conducted regarding the "2024 Audit Conclusions," covering the following topics: 1. Responsibilities of the governance unit 2. Scope and method of audit 3. Group audit 4. Significant risks 5. Key audit matters 6. Assessment of the going concern assumption 7. Recommendations and communication matters 8. IFRS Sustainability Disclosure Standards	All attending independent directors raised no objections to the contents of the report.

(IV) The independent directors of the Company have good communication with the chief internal auditor and the CPAs, and the communication channels are smooth, and they are able to communicate with the chief internal auditor or the CPAs whenever necessary.

(III) Corporate governance operations and any differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, along with the reasons thereof:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company's Board of Directors resolved to adopt a "Corporate Governance Best-Practice Principles" on March 19, 2021, which has been disclosed on the Market Observation Post System and the Company's website.	No material difference.
II. Shareholding Structure and Shareholders' Rights				No material difference.
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(I) 1. To ensure shareholders' rights and interests, the Company has set up a spokesperson and acting spokesperson system to handle shareholders' suggestions, doubts or disputes. 2. The Company has set up a shareholder service hotline and mailbox for shareholder inquiries on its website.	
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(II) The Company has designated staff and share transfer agents to monitor the shareholdings of directors, managers and substantial shareholders holding 10% or more of the shares at any time and report them on a monthly basis in accordance with the law.	
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(III) We have established the "Regulations Governing the Transactions Among Group Enterprises, Specified Companies and Related Parties" and the "Regulations Governing the Supervision of Subsidiaries," and our financial operations have been conducted in accordance with these regulations.	
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(IV) The Company has established the "Rules for Control and Management of Insider Trading" and the "Corporate Governance Best-Practice Principles," and conducts education and training courses occasionally to educate employees on the relevant laws and regulations, and prohibits insiders from using unpublished information in the market to trade marketable securities.	
III. Composition and responsibilities of the board of directors				No material difference.
(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		(I) The Company advocates and respects the policy of diversity of directors. In order to strengthen the functions of the Board of Directors to achieve the corporate governance objectives, the Company has established a policy on diversity of board directors in the "Corporate Governance Best-Practice Principles" and implements it in accordance with this policy. Please refer to "Diversity and Independence of the Board of Directors" (p.10-13) in the Annual Report on the policy on diversity of board directors, concrete management objectives and implementation.	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		(II) In addition to establishing the Remuneration Committee and the Audit Committee as required by law, the Company has also established the ESG Sustainability Committee. Other functional committees will be established based on needs in the future.	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		(III) 1.The Company's Board of Directors has established the "Rules for Performance Evaluation of Board of Directors" on January 10, 2020 and conducts internal board of directors' performance evaluation once a year. The results of the Board of Directors' performance evaluation for 2025 were submitted to the Board of Directors on February 2, 2026. 2. The results of the performance evaluation for board members and the Board of Directors as a whole in 2025 were outstanding. The operation of the Board of Directors as a whole is sound and in compliance with the requirements for corporate governance. All directors have fulfilled their duties and responsibilities; thus, the functions of the Board of Directors have been effectively enhanced. 3. For information on the performance evaluation of the Board of Directors of the Company, please refer to the "Evaluation cycle, period, scope, method, and content of Self-Evaluation of the Board of Directors" (p. 25-27) of this annual report.	
(IV) Does the company regularly evaluate the independence of the CPA?	✓		(IV) According to the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies", the independence and suitability of the appointed CPAs should be assessed regularly (at least once a year). The Company has established evaluation items for independence and suitability with reference to the Audit Quality Indicators (AQIs), Article 47 of the Certified Public Accountant Act, and the Bulletin of Norm of Professional Ethics for CPA No. 10 "Integrity, Objectivity and Independence". The "CPA Independence and Suitability Evaluation Form" (Note 1) issued by the Company and the "CPA Declaration of Independence" along with the "Audit Quality Indicator Report" issued by the CPAs were approved by the Board of Directors for assessing the independence and suitability of CPAs on March 11, 2026.	
IV. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility for corporate governance practices (including but not limited to providing	✓		The Company has appointed personnel responsible for corporate governance-related matters. On May 11, 2023, the Board of Directors resolved to establish the position of "Corporate Governance Officer" and appointed Manager Ou, Ling-Feng, head of accounting, to serve as the Corporate Governance Officer, responsible for corporate governance-related matters, in order to protect shareholders' rights and interests and strengthen the functions of the Board of Directors.	No material difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?				
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and created a stakeholders section on its website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		1. On the Investors section of the Company's website (http://www.qst.com.tw/cht/Investors_1.aspx), dedicated sections for ESG and for Stakeholders have been established, and a contact mailbox (qstmail@qst.com.tw) is provided for stakeholder inquiries. 2. Since 2018, the Company has compiled the Corporate Social Responsibility Report on a voluntary basis. The name of the "Corporate Social Responsibility Report" has been changed to the "ESG Report" since 2021. The issues of concern to stakeholders are included in the report to assist stakeholders in understanding the Company's corporate social responsibility practices. This report is submitted to the Board of Directors annually and has been submitted to the Board of Directors for discussion and resolution since 2025. The most recent date on which it was approved by resolution of the Board of Directors was August 8, 2025. 3. The Company maintains open communication channels with stakeholders, including customers, employees, shareholders, suppliers, community groups, and government agencies, and appropriately responds to significant Corporate Social Responsibility issues of concern to stakeholders. For detailed information, please refer to the Company's ESG Report <1.3 Identification and Communication of Material Topics of Stakeholder Concern> and the Stakeholder section on the Company's website (https://www.qst.com.tw/cht/Investors_8.aspx).	No material difference.
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholders' meetings?	✓		The Company has appointed the Stock Affairs Department of CTBC Bank Co., Ltd. to handle shareholders' meeting affairs.	No material difference.
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		(I) The Company has established a corporate website to disclose information regarding its financials, business, and corporate governance status.	No material difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(II) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, and webcasting investors conference)?	✓		(II) The Company has a dedicated person responsible for the compilation and disclosure of corporate information, as well as a dedicated spokesperson and an acting spokesperson to implement the disclosure of information.	
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		✓	(III) The Company publishes and reports its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines.	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		1. Employees' rights: The Company has established an employee welfare committee, implemented a pension plan, and encouraged employees to participate in various training courses. The Company was awarded the "Corporate and Organization Learning Excellence Award" by the Small and Medium Enterprise Division of the Ministry of Economic Affairs. We also provide employee health checkups and medical consultation services, as well as group insurance for our employees. We place great importance on labor relations. 2. Employees care: The Company has established an employee welfare committee to develop welfare measures and organize various recreational activities, which not only provide for the physical and mental health for employees, but also promote good interactions among employees across departments and hierarchies. 3. Investor relations: The Company has set up a spokesperson and an acting spokesperson to maintain the relationship between the Company and investors. 4. Supplier relations: We have established a supplier evaluation system to find the most suitable raw materials and to maintain reasonable cost control. 5. Stakeholder's rights Please refer to the Company's Sustainability Report. 6. Continuing education of directors: Please refer to (Note 2). 7. The Company's purchase of liability insurance for directors: The Company has purchased liability insurance for directors.	No material difference.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: The Company has prioritized to improve the underscored items.</td></tr>
</table>

Note 1: CPA Independence and Competence Assessment Form:

I. Basic Information:

Accounting Firm: Deloitte & Touche	CPA: Wu, Chang-Chun
	CPA: Liao, Hung-Ru

II. Evaluation Content:

Assessed against the Audit Quality Index (AQIs)

Evaluation item	Key Points of Measurement	Evaluation results	Compliance
Professionalism			
1. Audit experience	Whether the senior auditors have sufficient auditing experience to perform the audit.	Yes	Yes
2. Training hours	Whether the CPAs and senior auditors have received sufficient education and training each year to continuously acquire professional knowledge and skills.	Yes	Yes
3. Liquidity	Does the firm maintain sufficient senior human resources?	Yes	Yes
4. Professional support	Does the firm have sufficient professionals (e.g. evaluators) to support the audit team?	Yes	Yes
Quality control			
1. Load of CPAs	Whether the workload of the CPA is excessive.	No	Yes
2. Audit input	Appropriate input from the audit team at each stage of the audit.	Yes	Yes
3. EQCR review status	Whether EQCR CPAs devote sufficient hours to perform the review of the audit cases.	Yes	Yes
4. Quality control support capability	Whether the firm has sufficient quality control manpower to support the audit team.	Yes	Yes
Independent			
1. Non-audit service fees	The impact of non-audit service fees on independence.	49.5%	Yes
2. Customer familiarity	Impacts of the cumulative number of years of the annual financial statements of the firm on independence.	10 years	Yes
Supervision			
1. Deficiencies in external inspections and penalties	Whether the firm's quality control and audit cases are implemented in accordance with relevant laws and regulations?	Yes	Yes
2. The competent authority issues letters for improvement	Whether the firm's quality control and audit cases are implemented in accordance with relevant laws and regulations?	Yes	Yes
Innovation ability			
1. Innovative plans or initiatives	The CPA firm's commitment to improving audit quality, including the innovation capability and planning of the CPA firm.	Yes	Yes

With reference to Article 47 of the Certified Public Accountant Act and No. 10 of the Norm of Professional Ethics for Certified Public Accountant.

No.	Evaluation item	Yes	No
1.	Whether the CPA is currently employed by the Company to perform routine work for which he or she receives a fixed salary, or currently serves as a director or supervisor thereof.	✓	
2.	Whether the CPA has previously served for the Company as a director, supervisor, managerial officer, or an employee with material influence over attestation, and has been separated from the position for less than two years.	✓	
3.	The CPA is not a spouse, lineal relative, direct relative by marriage, nor a collateral relative within the second degree of kinship of any responsible person or managerial officer of the Company.	✓	
4.	The CPA, or the spouse or a minor child thereof, has not invested in the Company, or shares in financial gains therewith.	✓	
5.	Whether the CPA has no significant close business relationship or potential employment negotiations with the Company.	✓	
6.	Whether the CPA has not accepted gifts or preferential treatment from the Company or its directors, supervisors or managers.	✓	
7.	Non-audit services provided by CPA to the Corporation have no direct impact on the major items of audit services provided.	✓	
8.	CPA does not promote or sell shares or other securities issued by the Company.	✓	
9.	CPA has not served as company director, manager, or in positions that have major impact on Company audits within 1 year of termination.	✓	
10.	CPA is not involved in decision-making managerial duties at the Company.	✓	
11.	As of the most recent audit, there have been no instances where the CPA remained unchanged for 7 years.	✓	

III. Evaluation Results:

The appointed CPA meets the Audit Quality Indicators (AQIs) and the Company’s independence and competence assessment standards.

Note 2: Information on continuing education for directors for 2025

Title	Name	Date of continuing education	Organizer	Course name	Continuing education hours	Total continuing education hours
Corporate Director Representative	Wu, Rong-Bin	May 9, 2025	Taipei Exchange	Practicing Sustainable Development through the TPEx Market	3	9
Corporate Director Representative	Wu, Rong-Bin	July 11, 2025	Taiwan Institute of Directors	Cross-generational Talent Management and Practical Implementation of IFRS S1/S2 Sustainability Standards	6	9
Director	Lin, Chin-Ning	May 9, 2025	Taipei Exchange	Practicing Sustainable Development through the TPEx Market	3	6
Director	Lin, Chin-Ning	October 3, 2025	Securities and Futures Institute	2025 Seminar on the Prevention of Insider Trading	3	6
Corporate Director Representative	Wu, Rong-Chin	May 9, 2025	Taipei Exchange	Practicing Sustainable Development through the TPEx Market	3	3
Corporate Director Representative	Wu, Chien-Hsu	May 9, 2025	Taipei Exchange	Practicing Sustainable Development through the TPEx Market	3	6
Corporate Director Representative	Wu, Chien-Hsu	July 11, 2025	Taiwan Institute of Directors	Cross-generational Talent Management and Practical Implementation of IFRS S1/S2 Sustainability Standards	3	6
Corporate Director Representative	Wu, Chien-Heng	May 9, 2025	Taipei Exchange	Practicing Sustainable Development through the TPEx Market	3	3
Independent director	Hwang, Chen-An	May 9, 2025	Taipei Exchange	Practicing Sustainable Development through the TPEx Market	3	9
Independent director	Hwang, Chen-An	July 11, 2025	Taiwan Institute of Directors	Cross-generational Talent Management and Practical Implementation of IFRS S1/S2 Sustainability Standards	6	9

Title	Name	Date of continuing education	Organizer	Course name	Continuing education hours	Total continuing education hours
Independent director	Hseu, Shun-Fa	July 31, 2025	National Federation of CPA Associations of the R.O.C.	Legal Liabilities of CPA Practice	3	6
		August 12, 2025	National Federation of CPA Associations of the R.O.C.	CPA Firm Succession Strategy	3	
Independent director	Lin, Chin-Jung	May 9, 2025	Taipei Exchange	Practicing Sustainable Development through the TPEx Market	3	9
		July 11, 2025	Taiwan Institute of Directors	Cross-generational Talent Management and Practical Implementation of IFRS S1/S2 Sustainability Standards	3	
		September 12, 2025	Taiwan Institute of Directors	Embracing the AI Wave: Mastering the Business Code of Generative AI	3	
Independent director	Kuo, Su-Hui	May 9, 2025	Taipei Exchange	Practicing Sustainable Development through the TPEx Market	3	9
		June 25, 2025	Taiwan Corporate Governance Association	Trend Risk Management for Digital Technology and Artificial Intelligence	3	
		July 11, 2025	Taiwan Institute of Directors	Cross-generational Talent Management and Practical Implementation of IFRS S1/S2 Sustainability Standards	3	

(IV) If the Company has established a Remuneration Committee, it shall disclose the composition and operation of the Committee:

The Company has established the “Remuneration Committee” and set its charter on November 28, 2011 in accordance with Article 14-6, Paragraph 1 of the “Securities and Exchange Act” and the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.”On June 11, 2025, the Board of Directors resolved to appoint the sixth term of the Remuneration Committee for the term of office starting from June 11, 2025 to June 10, 2028.

1. Information on the members of the Remuneration Committee

<table>
<tr><th>Position</th><th>Name / Qualification</th><th>Professional qualifications and experience</th><th>Status of Independence</th><th>Number of other public companies in which the individual is concurrently serving as the Remuneration Committee member</th></tr>
<tr><td>Independent Director (Convener)</td><td>Hseu, Shun-Fa</td><td>A professional with experience in accounting and taxation who has passed the national examinations required for certified public accountants. He is currently a partner in the Pan-China (TW) CPAs, Kaohsiung Branch. His expertise, practical experience and familiarity with relevant laws and regulations in financial accounting and taxation are of great help to the Board of Directors in improving the management quality of corporate governance.</td><td rowspan="4">Be an independent director and meet the independence criteria, including but not limited to:
1. Neither the person himself/herself, his/her spouse, nor any relative within the second degree of kinship is a director, supervisor, or employee of the Company or its affiliated companies.
2. Neither the person himself/herself, his/her spouse, nor any relative within the second degree of kinship (or under others’ names) holds any shares of the Company and the proportion thereof.
3. Not being a director, supervisor or employee of a company with a specific relationship with the Company (as defined in Article 3, Paragraphs 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
4. No compensation received for providing commercial, legal, financial or accounting services to the Company or its affiliates in the last two years.</td><td>2</td></tr>
<tr><td>Independent director</td><td>Hwang, Chen-An</td><td>Work experience in legal and crisis management, he is currently a lawyer at Chang An Law Firm who has passed the national exams and received certificates. He possesses legal expertise and is familiar with relevant laws and regulations, and can provide advice on risk management, legal strategy and compliance and management decisions.</td><td>None</td></tr>
<tr><td>Independent director</td><td>Lin, Chin-Jung</td><td>He specializes in the development and operation of the tutoring market, and runs the Chih Kuang Education Technology Group, which includes tutoring education, distance learning, book publishing, digital learning, and cloud learning, and has trained thousands of candidates for government and license examinations every year, making it the No. 1 brand for applying for government jobs. He has practical experience and excellent skills in commerce, finance, marketing, management and long-term development.</td><td>None</td></tr>
<tr><td>Independent director</td><td>Kuo, Su-Hui</td><td>With nearly 30 years of dedication to steel-related industries, he possesses extensive industry experience as well as the professional expertise required in business, finance, and corporate operations, specializing in corporate operation and management.</td><td>None</td></tr>
</table>

2. Information on the operation of the Remuneration Committee

(1) The Company’s Remuneration Committee is composed of 4 members.

(2) The term of office of the current (6th) members is from June 11, 2025 to June 10, 2028. The Remuneration Committee of the current term convened one (1) meeting in 2025 (A). The qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person (B)	No. of meetings attended by proxy	Attendance rate (%) (B/A)	Remarks
Convener	Hseu, Shun-Fa	1	0	100%	
Member	Hwang, Chen-An	1	0	100%	
Member	Lin, Chin-Jung	1	0	100%	
Member	Kuo, Su-Hui	1	0	100%	

Other information required to be disclosed:

I. If the Board of Directors does not adopt or amend the recommendation of the Remuneration Committee, it shall state the date and the term, the content of the resolution, the result of the resolution and the Company’s handling of the recommendation of the Remuneration Committee (if the remuneration approved by the Board of Directors is better than the recommendation of the Remuneration Committee, it shall state the difference and the reasons for the difference): None.

II. Matters resolved by the Remuneration Committee in 2021, where the members expressed objections or reservations on the committee’s resolutions, the date of the meeting, session, content of the motion, all members’ opinions and the response to members’ opinion should be specified: None.

3. Information on the remuneration of the Company reviewed and assessed by the Remuneration Committee in 2025 is as follows:

Remuneration Committee	Content of the motion(s)	Result of the motion(s)	The Company's handling of the opinions of the Remuneration Committee
The 10th meeting of the 5th term January 20, 2025	1. Proposal of the amount to be distributed to the managers for 2023 employees’ remuneration.	All members present approved the motion without objection.	It was approved at the 15th meeting of the 13th term of the Board of Directors of the Company
	2. Proposal of the 2024 Year-end Bonus Plan for managers of the Company.		
	3. Proposal of the allocation of employee subscription quotas for managers in connection with the Company’s domestic cash capital increase through the issuance of new shares.		
	4. Proposal of the adjustment of managers’ remuneration.		

Remuneration Committee	Content of the motion(s)	Result of the motion(s)	The Company's handling of the opinions of the Remuneration Committee
The 11th meeting of the 5th term March 12, 2025	1. Proposal of the proposal for the distribution amounts of employee remuneration and directors' remuneration for 2024.	All members present approved the motion without objection.	It was approved at the 11th meeting of the 16th term of the Board of Directors of the Company
	2. Proposed the amendments to the Company's Articles of Incorporation.		
	3. Proposed the definition of the scope for the Company's entry-level employees.		
The 1st meeting of the 6th term August 8, 2025	Proposal of the amount to be distributed to the directors for 2024 remuneration.	All members present approved the motion without objection.	It was approved at the 3rd meeting of the 14th term of the Board of Directors of the Company.

(V) Sustainable Development Implementation Status and differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board? (Listed companies should report implementation status, not compliance or interpretation.)	✓		The Company formally established the "Corporate Social Responsibility Committee" in April 2018 as the highest level of sustainable development management. In response to the new government regulations, the Committee changed its name to the "ESG Sustainability Committee" in September 2022. The committee supervises the Company's sustainable development related issues, and the Chairman reports to the Board of Directors on related decisions and results. The Company’s Chairman serves as the Committee's chairperson, overseeing corporate social responsibility initiatives and guiding the Company’s sustainable development direction; Committee members are led by the General Manager, and Secretariat staff are appointed by the Committee to maintain and coordinate its operations. The structure comprises the Secretariat and five subcommittees: Business, Management, Production Control, Human Resources, and Finance, whose members, drawn from relevant Company units, address ESG topics across environmental, social, governance, and economic dimensions. The committee shall hold formal meetings at least three times a year. The Company’s sustainability-related issues, decisions, and performance, including environmental, social, governance, and economic aspects, are reported to the Board of Directors annually and have been submitted to the Board of Directors for discussion and resolution since 2025. 1. The implementation status of the Company’s sustainable development is disclosed in the sustainability report. The Company’s 2024 ESG Sustainability Report was approved by resolution of the Board of Directors on August 8, 2025: (1) The Company’s 2024 ESG Report has been completed and incorporates TCFD and SASB, enhancing the completeness of ESG information disclosure.	No material difference.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
			(2)The Company's 2024 Sustainability Report has been verified by TÜV Rheinland Taiwan Ltd., confirming that the content adheres to the Global Reporting Initiative Standards (GRI Standards) and the AA1000 standard with a Type 1 Moderate Assurance level, ensuring the accuracy of the data and information. (3) After approval by resolution of the Board of Directors, the Company completed the filing and uploaded the report to the Company's website before August 31, 2025 in accordance with regulations. 2. Report on the Company's greenhouse gas inventory and verification schedule: (1) The Company submitted a report on greenhouse gas inventory and verification schedule at the 2nd meeting of the 13th Board of Directors on August 10, 2022. Subsequently, the Company requested the greenhouse gas inventory (the inventory was completed in 2023 and the verification in 2024) was adjusted on the 3rd meeting of the 13th Board of Directors on November 10, 2022, as listed in the following table, and reported to the Board of Directors on a quarterly basis. (2) Implementation status and progress description:	

Work Items	Estimated Completion Time	Implementation progress
Establishing the number of full-time (or part-time) units and personnel, along with their scope of responsibilities.	June 2023	100%
Completion of the parent company's greenhouse gas inventory and disclosure	December 2023	100%
Conducting external assurance	December 2024	100% (Note 1)
Completed the greenhouse gas inventory of the consolidated subsidiary	December 2025	100% (Note 2)
External audit of the consolidated subsidiary	December 2027	Under planning

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>Note 1: External verification has been completed. The verification for 2024 (from January 1 to December 31, 2024) was obtained from TUV RHEINLAND TAIWAN LTD., in July 2025, confirming the GHG assurance/verification report.
Note 2: The carbon inventory data for 2024 within the Group was collected and completed in December 2025 in preparation for verification in 2026.
3. Board of Directors Oversight and Operations:
The Company’s Board of Directors regularly hears reports, discusses and resolves on the implementation status of sustainable development disclosed in the sustainability report, reviews the progress of strategies and objectives during the process, and provides the most appropriate guidance and performance review to assist and guide the Company in establishing a clear direction as the basis for promoting sustainable development.</td><td></td></tr>
<tr><td>II. Does the company conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy in accordance with the materiality principle? (Listed companies should report implementation status, not compliance or interpretation.)</td><td>✓</td><td></td><td>1. The following information covers the Company’s sustainable development performance from January 1 to December 31, 2025, and the risk evaluation boundary is mainly for the Company.
2. The Company’s ESG Sustainability Committee and the heads of each department have assessed the global and domestic sustainability trends and the Company’s operational development goals, and analyzed major issues in economics, environment, society, and corporate governance to identify major stakeholders. We regularly refer to international guidelines for the preparation of reports and conduct analysis on key issues every year. We review and prioritize the content on key issues through communication with internal and external stakeholders, and consolidate the risk lists proposed by each department to conduct risk assessment and propose strategies.</td><td>No material difference.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>3. Based on the key issues assessed, the relevant risk management policies or strategies are established as follows:

<table>
<tr><th>Major Topics</th><th>Aspect</th><th>Policy</th></tr>
<tr><td>Occupational safety and health</td><td>Social</td><td>The Company must comply with safety and health regulations and other related requirements when researching, developing, manufacturing, testing and selling its products, and also follows the "continuously improving safety and health to prevent occupational hazards" policy in order to avoid the incidence of unsafe behaviors, environments and equipment from occurring, and to protect the employees' safety and health.</td></tr>
<tr><td>Employee Benefits and Salaries
Employment Relations and Labor–management Relations</td><td>Social
Social</td><td>To attract and retain talents essential for the Company's development and to enhance employee cohesion, the Company provides a stable working environment and continuously improves remuneration, bonuses, employee benefits, retirement system, holiday gifts, and labor relations, including the following:
1. Compensation and bonus plan.
2. An Employee Welfare Committee has been established to plan and oversee employee welfare matters.
3. Labor retirement system.
4. Labor–management meetings and measures for safeguarding employees' rights and interests.
5. Protective measures related to the working environment and employee personal safety.
6. Ethical conduct guidelines for employees.
7. Employee travel (or related subsidies).
8.Various gifts (such as wedding gifts).</td></tr>
<tr><td>Operational and financial performance</td><td>Economic</td><td>By introducing advanced technology, equipment and processes, the Company is able to upgrade its product level, expand its supply capacity, and optimize its customer and market structure to establish its long-term competitive advantages.</td></tr>
<tr><td>Customer service and safety</td><td>Social</td><td>1. Strengthen the Company's information security mechanism to protect customer privacy.
2.Assure the health and safety of the products in order to make them available to our customers.</td></tr>
<tr><td>Information/ Internet Security</td><td>Social</td><td>Strengthen the Company's information security mechanism to protect customer privacy.</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Major Topics</th><th>Aspect</th><th>Policy</th></tr>
<tr><td>Corporate governance</td><td>Economic</td><td>The Company has established the "Corporate Governance Best Practice Principles", the "Ethical Corporate Management Best Practice Principles", the "Code of Ethical Conduct for Directors and Managers" and the "Procedures for Handling Reports of Illegal, Unethical and Dishonest Conduct" to continuously strengthen corporate governance.</td></tr>
<tr><td>Risk Management</td><td>Economic</td><td>Jointly implemented risk control measures by all units aim to strengthen the internal risk control mechanism and enhance emergency response and recovery capabilities.</td></tr>
<tr><td>Energy
GHG Emission</td><td>Environmental
Environmental</td><td>The following strategies are established:
1. Reduce energy consumption and usage.
2. Conducting a GHG inventory to monitor emissions and develop reduction plans.
3. Implement energy-saving and carbon-reducing measures to achieve carbon reduction targets.</td></tr>
</table>
For related content, please refer to the Company's Sustainability Report
<1.3 Identification and Communication of Material Topics of Concern to Stakeholders> and <1.4 Management Approach>.</td><td></td></tr>
<tr><td>III. Environmental Issues
(I) Has the company established an appropriate environmental management system based on the industry characteristics?

(II) Is the Company committed to improving energy use efficiency and using renewable materials with low impact on the environment?</td><td>✓

✓</td><td></td><td>(I) The Company has been certified with ISO 14001 environmental management system (effective date is July 21, 2026). It conducts annual environmental management review meetings and appoints external inspector to audit the environmental management system and certification, as well as appointing an external inspector to conduct semi-annual wastewater inspection reports.

(II) The Company is committed to improving the efficiency of energy use to reduce the impact of environmental pollution:
● The raw materials used by the Company are primarily steel wire rods, with major suppliers being CSC and Japan’s Nippon Steel. Considering product quality, the wire rods currently use non-recycled raw materials. Even though non-recycled</td><td>No material difference.</td></tr>
</table>

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
			resources are used, the Company strives to minimize the generation of waste, scrap, and edge materials during the production process. The aforementioned materials are effectively recycled and reused by our suppliers, reducing carbon emissions and environmental impact. ● The forming machines are equipped with a central oil tank circulation system for processing oils. This system efficiently circulates and reuses the oil based on its condition, without affecting product quality, thus improving oil utilization. ● New oil is regularly added, and the used oil is collected in waste oil barrels. A professional waste disposal company is entrusted with handling the disposal of the used oil. ● Although packaging materials such as cardboard boxes and pallets are made from non-recyclable materials, they can be reused after use.	
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		(III) The Company follows the four core elements of the Recommendations of Task Force on Climate-related Financial Disclosures (TCFD), including governance, strategy, risk management, metrics and targets, to disclose the risks and opportunities associated with climate change and to develop relevant countermeasures to reduce the impact caused by climate change and the environment. The Chairman of the Company raised the climate change issues, referred them to the ESG Committee, and included climate and energy conservation-related issues into the discussion. In 2025, the ESG Committee continued to pay attention to issues related to climate change, and assessed the impact and benefits of risks and opportunities on the Company, especially in material topics such as reducing GHG emissions.	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		In 2025, the Company continued to focus on operational risks and opportunities. There are 2 risks and 3 opportunities, and the Company evaluates their likelihood, impact, extent of loss/profit, and the actions or measures taken. For more detailed information, please refer to the “Climate Risks and Opportunities Affecting Business, Strategy, and Finance” section (page 67) in this year’s report under “Climate-related Information”. (IV) The Company is a role model in the domestic steel fastener business and is committed to improving energy efficiency. In 2023, the Company began conducting carbon audits and continued to implement them in 2025. The goal is to use the audit results to further improve and reduce GHG emissions, mitigate global warming trends, and maintain a sustainable operating environment. The Company’s GHG emissions inventory operations reference the ISO 14064-1: 2018 GHG Inventory Protocol specifications and calculate GHG emissions for Categories 1, 2, 3, and 4. ● GHG emissions in the past 2 years: Please refer to the “GHG Inventory Information” on Page 70 of this annual report. In recent years, net-zero emissions have become a common goal for many countries and enterprises. GHG emissions inventory is the foundation of emissions management and carbon reduction efforts. The Company has conducted GHG inventory since 2023. In 2025, a GHG inventory for Categories 1-4 was conducted in accordance with ISO 14064-1:2018. The inventory for 2024 was verified and approved by a third party in July 2025. Please refer to the Company's annual report, "GHG Reduction Targets, Strategies, and Action Plans" (Pages 72 to 73) for the GHG reduction policy formulated by the Company.	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
			● Water consumption in the past 2 years: Unit: million liters (ML) Item / 2024 / 2025 Total water withdrawal / 36.42 / 36.08 ● Waste production volume in the past 2 years : Unit: tons	

Item	2024	2025
Total water withdrawal	36.42	36.08

Item	Waste name	2024	2025
Sludge	Inorganic sludge	45.56	47.36
Waste oil	Waste oil mixture	123.80	78.74
Waste solvent	Non-hazardous organic waste solvent	14.06	19.30
Domestic Garbage	Domestic Garbage	42.59	40.02
Total weight of annual waste		226.01	185.42

In recent years, due to the abnormal global climate, the acquisition, use and protection of related natural resources have become more and more important. The Company is a traditional manufacturing industry, and most of it uses electricity, which produces little pollution and is well controlled. For the above topics, the Company considers the reduction of raw materials, production processes, and product transportation.

The environmental policy is used to express the environmental philosophy of the Company's senior executives and their commitment to complying with laws and regulations and pursuing continuous improvement. The Company operates within the scope of its environmental management system to reduce the environmental impact of its business activities, products and services.

1. Management purpose:

   The environmental impact of the Company's activities, products, and services in compliance with the requirements of relevant government regulations.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
			2. Policy: The Company is committed to providing service and is willing to implement the environmental protection and pollution prevention concepts in the manufacturing process and service activities of its products. In addition, the Company operates with an environmental management system and sets the continuous improvement direction in order to pursue sustainability of the Company. 3. Goals: (1) Wastewater discharge is below the standard values (COD≤100ppm; SS≤30ppm). (2)Household waste/Number of employees ≤ 0.1 ton 4. Specific actions: (1)Replacing old equipment, inspecting and maintaining machinery on a regular basis. (2)Regularly check the wastewater discharge value. (3)Promoting a paperless office and not providing disposable cutlery. 5. Performance and adjustment: (1)Wastewater discharge semi-annual monitoring values: COD = 79.0 ppm, 12.6 ppm ; SS = 1.5 ppm, 3.2 ppm. (2)Household waste/Number of employees ≤ 0.073 ton	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) To fulfill corporate social responsibility, protect employees' fundamental human rights and related interests, and uphold the spirit of ethical corporate management with the goal of sustainable development, the Company is committed to supporting international human rights standards and regulations, and complying with human rights-related standards such as the "Universal Declaration of Human Rights" and labor-related laws. The Company has established labor human rights policies and relevant regulatory standards. For detailed information, please refer to the Corporate Social Responsibility section on the Company's website (https://www.qst.com.tw/cht/Investors_7.aspx).	No material difference.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		(II) Article 26 of the Company's Articles of Incorporation provides that the Company shall use the current year's pre-tax income before allocating employees' remuneration and directors' and supervisors' remuneration to cover the accumulated losses. If there is any remaining balance, not less than 3% (no less than 20% of the employee compensation amount shall be appropriated as compensation for entry-level employees) and not more than 2% of the balance shall be appropriated for employees' compensation and remuneration to directors and supervisors, respectively. The Company always thinks that "employees are the most important assets of the Company." We strive to integrate the growth of our employees with the company's development in order to achieve the long-term vision of the Company. The Company has not only set up the Employee Welfare Committee, but also established the "Regulations on Salary Management" and "Regulations on Employee Evaluation" to provide incentives for employees, so that everyone in the Company can always work towards the same goal.	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		(III) 1-1. The Company follows the Occupational Safety and Health Management and Occupational Safety and Health Act and other relevant laws and regulations to establish the Occupational Safety and Health Management Plan and the Safety and Health Code of Practice in order to create a safe workplace environment for its employees. 1-2. To ensure the safety of the workplace and employees, dangerous equipment is automatically inspected on a regular basis. The Company also sends safety personnel to inspect the factory occasionally. 1-3. The Company implements an annual education program that includes: two sessions of safety and health training; two sessions of fire drills; two sessions of self-organized overhead crane/hoist training; and external training for related professional certification classes. We also raise the safety awareness among our employees to reduce the chance of occupational accidents by promoting the cases of occupational accidents and traffic accidents.	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
			2. The Company guides employers and workers to jointly construct and maintain a documented safety and health management system in accordance with the national Occupational Safety and Health Management System Guidelines (TOSHMS) and the requirements of ISO 45001:2018 to strengthen self-management and continue to improve occupational safety and health performance, reduce occupational hazards, and protect labor safety and health. Workers covered by the Company's occupational safety and health management system include all personnel working under the control, such as employees, contractors, visitors, and their production and operations. 3. In 2025, the number of workplace occupational injuries among employees was 1, accounting for 0.18% of the total number of employees (550). The number of fatalities due to occupational disasters in 2025 was 0. After an accident occurs, conduct accident investigation, accident project review, accident administrative responsibility review, and reward and punishment in accordance with regulations to prevent recurrence of similar accidents. 4. The number of fire incidents in 2025 was 0.	
(IV) Has the Company established effective career development training programs for employees?	✓		(IV) Formulate an annual education and training plan in accordance with the Company's annual operational goals and policies. By providing a variety of education and training resources, create an employment environment that suits the right people, and cultivate potential talents to strengthen the long-term development of employees. The Company make an "annual training plan" is established each year to provide a series of professional and comprehensive training courses, and to promote employee self-study and certification. The Company monitors the training effectiveness of employees through questionnaires and serves as a reference for future adjustment of training programs. Including the following:	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
			1. Encourage employees to continue their education. 2. Promote the annual training plan. 3. Online library. 4. Employee performance appraisal. 5. Employee career development.	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		(V) The Company has always been committed to providing customers with the best service and also values customer privacy. The Company signs confidentiality agreements with customers to protect customer confidential information, and holds monthly information coordination meetings to review and improve the existing system in a timely manner. and access control to ensure data protection and protect customer privacy. In addition, the international standards are also met for customer product health and safety requirements to ensure product safety for the convenience of customers. The policies and actions established and adopted by the Company are as follows: 1. Management purpose: (1) Properly protect customer privacy, avoid leakage of customer data, and strengthen information security. (2) We comply with regulations (including RoHS and REACH) and strictly control the product quality to ensure that there is no impact on customer safety and health. 2. Policy: 1. Strengthen the Company's information security mechanism to protect customer privacy. 2. Assure the health and safety of the products in order to make them available to our customers. 3. Responsibility: Customer Service Department, Information Management Department. 4. Grievance mechanism: Tel: ＋886-6-2081997. E-mail: QSTMail@qst.com.tw.	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		5. Specific actions taken: (1) The staff in Information Department regularly check the safety of the network operation environment. (2) Information security promotion and training. (3) All computer devices are equipped with anti-virus software. (4) Timely updates of virus definitions are performed to prevent the spread of computer viruses through e-commerce, and firewalls are established to block external threats. (5) Products are manufactured according to customer's drawings and specifications and comply with international regulations REACH, RoHS & ELV. Materials are also sourced from international majors – Sinosteel (Taiwan), Nippon Steel (Japan) and Pohang Steel (Korea), and there are no concerns about the use of conflicting substances. (VI) The main criteria for the Company's selection of suppliers is the procurement of fastener industry clusters and the quality of delivery that meets the requirements. At the same time, we require suppliers to comply with relevant regulations such as environmental protection, integrity, occupational safety and health, or labor human rights, in order to enhance social and environmental responsibility and implement sustainable development strategies. The Company's management policies for suppliers and their implementation are detailed below (Note 1).	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		The Company's sustainability report has been verified by TUV RHEINLAND TAIWAN LTD., confirming that the contents of the report comply with the latest GRI Sustainability Reporting Standards (2021 edition) issued by the Global Reporting Initiative (GRI). A GRI Standards 2021 index table is provided to cross-reference the content of each section. The report has also obtained Type I Moderate Level assurance in accordance with the AA1000 standards, ensuring the accuracy of the data and information. The 2025 ESG Report is currently undergoing the issuance of the verification statement.	No material difference.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description (Note 2)</th></tr>
<tr><td colspan="5">VI. If the Company has adopted its own sustainable development best-practice principles based on the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company’s operations:

For the sustainable development management, the Company established the "Corporate Social Responsibility Committee" in April 2018, as the highest-level organization of the Company's sustainable development management. In response to the new government regulations, the name was changed to "ESG Sustainability Committee" in September 2022. The committee oversees issues related to the Company's sustainable development.
The Chairman of the Company is the Chairman of the Committee, responsible for corporate social responsibility work, and guides the Company's sustainable development direction; the President serves as the committee member, and the secretariat personnel are appointed by the committee members. They are responsible for the operation and coordination of the maintenance and management of the Committee. Under the Committee are the following secretariat and 5 teams: "Business Sector", "Management Sector", "Production Management Sector", "Human Resources Sector", and "Finance and Accounting Sector". Members of each team are drawn from relevant company departments, society, governance, and economics. At least three formal meetings are held each year.

VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development:
(I) Environmental protection:
1. The Company’s Tainan Plant has introduced the environmental management system to continuously improve the environmental performance. The packaging weight is in compliance with the European and American regulations to avoid occupational injuries caused by workers’ lifting and transportation. At the same time, we require our pallet suppliers to provide pallets for products shipped to the United States. In accordance with the International Plant Protection Convention (IPPC) International Wood Packaging Quarantine Standard No. 15, the Company is required to prevent the transmission of insects or diseases that may adversely affect plants and ecosystems through international transportation. The wood is required to be heat treated and fumigated and stamped or marked.
2. The Company is a role model in the domestic steel fastener business and is committed to improving energy efficiency. We expect to improve and reduce greenhouse gas emissions through the inventory results, slow down the global warming process, and maintain a sustainable business environment. The main energy sources used by the Company include electricity, gasoline, diesel, and liquefied petroleum gas. The GHG emission inventory is conducted in accordance with international GHG inventory protocols such as ISO and CNS standards. The Company initiated GHG inventories in 2023 and has passed third-party verification. The scope of the inventory covers all of the Company’s plants and headquarters office located in Tainan. In 2025, the Company continued to carry out the GHG inventory for its parent company in Taiwan and completed the GHG inventories for its consolidated subsidiaries located in Taiwan, China, Germany, the United States, Thailand, and Vietnam, which will be disclosed on the Market Observation Post System.</td></tr>
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Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	

3. The Company applied for a stationary air pollution source operating permit of Tainan Plant on May 10, 2019, and the test results met the emission standards. These tests have been conducted continuously to meet the standards, and there have been no related gas emission problems in 2019 to 2025, and no complaints from the surrounding residents have been recorded so far.

(II) Social welfare:

The Company is engaged to local affairs, with a primary focus on education and fostering good community relations. Efforts are centered on Tainan City, where the Company is based, and supplemented by support for educational institutions in other regions. In 2025, the Company donated NTD 445,000 for the following purposes:

- Tainan First Senior High School Alumni Association.
- Scholarship for Tamkang University by Xingxue Foundation.

(III) Consumer rights:

1. The Company places great importance on customers, and always replies to their comments and questions as soon as possible. We have developed a process to handle customer complaints and speed up the handling process. We also conduct annual questionnaire surveys to understand our customers' needs, whether they are satisfied with our products, and what we need to improve.
2. The company's customer satisfaction questionnaire in Taiwan has included the "HSF Satisfaction" item since 2022. The questionnaire consists of five items: "Service Level Satisfaction," "New Product Development Satisfaction," "Renewed Orders Production Satisfaction," "Quality Satisfaction," and "HSF Satisfaction." The overall score for the five items in the annual questionnaire was average, with the 2025 questionnaire achieving an average satisfaction score of 89 points. All five indicators reached at least 80 points. When individual item scores fell below 80 points, follow-up improvement was proposed according to regulations.

(IV) Protect the rights of employees and local employment:

1. The Company always believes that "employees are the most important assets of the Company" and is committed to integrating the employees' personal growth with the Company's development in order to achieve the long-term vision of the Company. Therefore, we highly value the opinions from our employees. We hold regular labor–management meetings to discuss employee rights and interests and fully protect them, and listen to employees through formal and informal communication channels.
2. The Company clearly stipulates the rights and obligations of both labor and management, and establishes a sound management system to encourage labor and management to work together and develop in the same direction, and has established "Work Rules" and "Safety and Health Code of Practice," which are in compliance with the Labor Standards Act and approved by the Labor Affairs Bureau in the city government. An employee has the right to organize and join a labor union in accordance with the Labor Union Act. There is no restriction on employees' freedom to form associations or engage in group consultations.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	

3. Assist employees in resolving issues related to their personal rights or unfair treatment at work, and in establishing gender equality concepts. Also, we take preventive measures to address issues related to sexual harassment, sexual assault, and sexual violence, and provide a work environment free from fear and threat.
4. Local Employment: The Company actively cultivates management talent, and 96.7% of senior management personnel (supervisors at management level and above) are local residents of Tainan City.

(V) Actively promote the safety and health of the working environment:

The Company follows the Occupational Safety and Health Management and Occupational Safety and Health Act and other relevant laws and regulations to establish the Occupational Safety and Health Management Plan and the Safety and Health Code of Practice in order to create a safe workplace environment for its employees.

Note 1: **Supplier management policy and implementation:**

The Company's main criteria for selecting suppliers are the fastener industry clusters and the quality of delivery that meets the requirements. At the same time, we require suppliers to comply with relevant regulations such as environmental protection, integrity, occupational safety and health, or labor human rights, in order to enhance social and environmental responsibility and implement sustainable development strategies.

(I) Supplier management policy

1. Strengthen supply chain lean management and implement graded audits:

The Company established the "Supplier Audit Procedure" on January 21, 2005, and the latest version was amended on March 5, 2026.
Each year, we analyze and evaluate by adopting audit items required by automotive manufacturers (IATF, VDA, CQI). Qualified auditors schedule supplier audits on a monthly basis according to the annual audit plan. Each month, we evaluate relevant factors such as quality, delivery time, and service, and inform the suppliers of the results.
The audit content includes corporate governance, order management, environmental protection, safety, hygiene, and labor practices, aiming to understand the risks from the supply side. This enables continuous improvement requirements and defines capability levels A, B, C, and D, as shown in the table, to assess the performance of the supplier's sustainable management practices.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	

Level	Score	Description
Level A (Automotive grade)	90 points (inclusive) and above	Primarily supplies automotive quality-grade customers and possesses management and operational capabilities meeting the requirements of IATF 16949, VDA 6.3, ISO 9001, and PPAP or above. When making procurement decisions, priority is given to selecting suppliers for orders. If necessary, they may enjoy payments under favorable terms offered by the Company, be awarded certificates and plaques as the Company's A-level suppliers, or be given other measures as encouragement, and may be listed as qualified suppliers exempt from inspection. However, if the customer requests inspection reports, they must be provided.
Level B (Automotive and Industrial grade)	75 (inclusive) to 89	Primarily supplies vendors with mass production capabilities in accordance with ANSI B18.18.2M and possesses management and operational capabilities meeting the requirements of ISO 9000 series quality certification systems or PPAP or above. If the product is not a special item (e.g., OEM products), it may be listed as an exempt product from inspection, but it must be approved by the sales manager, and the supplier must provide a factory inspection report.
Level C (Commercial grade)	60 (inclusive) to 74	Priority shall be given to suppliers capable of providing products compliant with ANSI B18.18.1M. The Company may continue to engage with such suppliers but shall require them to rectify their recurring deficiencies (and, if necessary, may consider extending payment terms or implementing other measures to help them improve their management systems). If products at this level are of standard commercial grade, they may be classified as inspection-exempt items; however, this is subject to approval by the sales manager, and the supplier must provide a factory inspection report.
Level D	Below 59	Cease procurement from that supplier and disable the order-placement function in the QST system. If business needs require continued cooperation with the supplier, each issue must be discussed individually and an S212B application form must be issued. Order placement and procurement may only proceed after approval by the highest-ranking quality assurance manager. If the suspension was caused by quality issues, the supplier shall be separately notified and required to make improvements. After the improvements are completed, the audit process shall be conducted again to evaluate the supplier's management capabilities, which will serve as a reference for deciding whether to continue procurement.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	

2. All suppliers who have been working with the Company for a long time shall sign the "Supplier Management Manual" (preliminary version: March 26, 2021, revised on March 5, 2026): To ensure that the suppliers can meet the following:
   (1) Quality management, intellectual property rights: executed according to the "Purchase Contract."
   (2) Corporate social responsibility, conflict materials (CMRT), global working conditions: carried out in accordance with the Restricted Substances Warranty Certificate and the "QST INTERNATIONAL Supplier Corporate Social Responsibility Commitment".
   (3) Customs - Commerce and Trade Anti-Terrorism Alliance: Sign and implement according to the "AEO Business Partner Security Declaration and Self-Evaluation Form."
   (4) Environment and laws and regulations: Implement occupational safety and health, process precision and quality, environmental protection, and compliance with the Labor Standards Act and Employment Service Act (prohibition of child labor, non-gender discrimination and sexual harassment, and anti-corruption), and jointly build a Green supply chain.
3. Measure the pollution risk caused by the outsourced processing company to the organization’s hazardous substance control, and the process pollution assessment is above medium risk, and a supplier audit is required.

(II) Status of implementation

1. Supplier management requirements
   (1) Systematic management: The supplier management unit conducts supplier audits according to the annual supplier audit plan, and uploads the audit results to QST's internal information management system, where the supplier's status and the latest certification information can be tracked.
   (2) As for the supplier's social responsibility, there is a set of management audit model for environmental, social and quality capability. The relevant raw materials must comply with ELV, RoHS and REACH, and the source of raw materials shall follow the latest version standards published by the Responsible Minerals Initiative (RMI). CMRT and EMRT conflict minerals report. Due diligence within the supply chain has been completed. The content requires that conflict minerals from conflict regions (such as the Democratic Republic of the Congo) not be used, including tantalum, tin, gold, tungsten, cobalt, mica and their derivatives. Compliance with Labor Standards Act/Employment Service Act/corporate social responsibility/prohibition of child labor/ non-gender discrimination/ environmental protection/anti-corruption, etc.
   (3) Suppliers are required to manage chemical materials in accordance with the SDS.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description (Note 2)	

(4) In terms of packaging materials, the suppliers supplying pallets for products sold to the U.S.A. must comply with the International Plant Protection Convention (IPPC) International Standard for Quarantine Measures for Wood Packaging, Division 15. ecosystem, the wood shall be heat-treated and fumigated, and stamped or marked.

(5) ISDS description and management mechanism: Suppliers are required to obtain IMDs information as required by customers and upload to OEMs' websites. In 2025, a total of 369 IMDs were uploaded and executed.

(6) Cr6+-free test reports submitted to meet environmental requirements: In 2025, according to customer requirements, a total of 1,625 cases were submitted for Cr6+-free tests, and all were qualified.

2. Supplier management process

(1) Supplier investigation, evaluation, and selection are conducted based on the needs. Suppliers for new development are assessed based on the needs. For suppliers that are already the Company's suppliers, on-site assessment is conducted in the event of a major incident as a reference for re-selection.

(2) Supplier evaluation and management. Establish supplier evaluation standards and regularly check supplier performance in terms of delivery and service.

(3) Supplier's annual audit plan. Establish the supplier's regular on-site audit plan to assess whether the supplier's quality management system can meet the customer's needs.

(4) Signing of Corporate Social Responsibility Commitment with suppliers. Implement occupational safety and health, process precision and quality, environmental protection, recruitment of personnel in compliance with the Labor Standards Act and the Employment Service Act (prohibition of child labor, no gender discrimination and sexual harassment, anti-corruption), jointly build a green supply chain, and implement corporate social responsibility.

To ensure a thorough understanding of whether suppliers' management systems are capable of providing products and services that meet customer requirements, thereby assisting suppliers in enhancing management capabilities and reducing the risks of cost increases and delivery delays, the Company has established supplier audit procedures. An annual audit plan is formulated at the beginning of each year, and on-site supplier audits are conducted on a regular basis.

VIII. Climate-related information of the Company

1. Implementation of climate-related information

Item	Implementation status
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	(1) The Company formally established the "Corporate Social Responsibility Committee" in April 2018 as the highest level of sustainable development management. In response to the new government regulations, the Committee changed its name to the "ESG Sustainability Committee" in September 2022 and sustainable development. The Chairman serves as the Committee's chairperson, leading the corporate social responsibility efforts and guiding the Company's sustainable development direction. Relevant decisions and outcomes are reported to the Board of Directors by the chairperson. The President serves as the committee member, and there is a secretariat and 5 teams under it: sales, management, production management, human resources, and finance and accounting. Members of each team are from relevant company units and implement ESG sustainability related environmental, social, governance, economic and other issues. (2) The Chairman of the Company raised the importance of climate change for the first time in 2021 and referred it to the CSR Committee to include climate and energy conservation-related issues into the discussion. Thereafter, each year the Company's Chairman raises climate change issues and submits them to the ESG Sustainability Committee, incorporating climate-related risks and opportunities and energy-saving topics into its discussions. The status of sustainability initiative implementation is then reported annually to the Board of Directors. Most recently, on August 8, 2025, the Board of Directors approved the status of the Company's 2024 sustainability initiative implementation, noting that the 2024 Sustainability Report had been completed and incorporated the TCFD climate-related financial disclosures and the SASB Standards, thereby enhancing the completeness of ESG information disclosure. A dedicated section titled "ESG Climate Change Risks and Opportunities" is included in the Sustainability Report. In accordance with the four core elements of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), including governance, strategy, risk management, metrics, and targets, the Company discloses the risks and opportunities arising from climate change and formulates corresponding response measures. (3) Supervision and operation of the Board of Directors: The Board of Directors of the Company regularly listens to the reports, reviews the progress of strategies and goals, and provides the most appropriate guidance and reviews of the results, assisting and guiding the Company in a clear direction, as the basis for the Company to promote sustainable development. The Company's Board of Directors has also continued to pay attention to climate change-related issues, and assessed the impact and benefits of risks and opportunities to the Company, in order to enhance the Company's awareness of climate change and international development trends, and to implement sustainable development.

Item	Implementation status
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, mid-, and long-term).	(1) In 2025, the Company continued to focus on the risks and opportunities related to its operations, identifying 2 risks and 3 opportunities. These were assessed based on the likelihood of occurrence, impact, level of loss/benefit, and the measures or actions the Company can take, as shown in the table below.

	Risk/ Opportunity	Probability of occurrence	Impact	Financial impact of losses/benefits	Actions taken by the Company and potential costs
Risks	1. Power shortage and blackout	1	Production was suspended.	-2 Possible losses of NTD millions.	Production schedules were adjusted in response to power curtailment, and basic power is provided by self-provided generators. Estimated increase in costs of NTD 1 million.
	2. Water shortage and water restriction	1	Production was suspended.	-2 A loss of NTD 1 million may be incurred.	Adjusted the production schedule in response to water restrictions and signed a contract with a water delivery company. Estimated to incur additional costs of more than NTD 100,000.
Opportunity	1. Electric vehicle trends	5	1.Rising demand for caps for electric vehicles. 2.The demand for high-quality (electric vehicle green energy) screw caps is increasing.	+5 Could result in an increase in revenue of over NTD 1 billion.	1. Develop new electric vehicle customers and special-purpose products. Estimated increase in costs by NTD millions. 2. Development of high-quality products. Estimated increase in costs by over NTD 10 million.
	2. Energy resource efficiency	2	Reduce operating costs.	+2 Could result in an increase in profit over NTD millions.	Review the energy and resource efficiency of the manufacturing process. Estimated increase in costs by NTD millions.
	3. Green energy	1	Reduction of carbon emissions from electricity consumption.	+1 Could reduce carbon fees by NTD millions in the future.	Install solar panels. Estimated increase in costs by NTD millions.

In the preceding table, the likelihood of occurrence is rated on a scale of 1 to 5 from low to high. Based on the Company's past experience and industry response practices, the estimated probability for a rating of 1 is less than 5%, a rating of 2 is between 5% and 10%, and a rating of 5 is between 80% and 100%. For the degree of loss/benefit impact, ratings are assigned from -1 to -5 and from +1 to +5. A rating of -1 represents a loss or cost expenditure of less than NT$1 million, -2 represents a loss or expenditure of several NT$ million, +1 represents an increase in revenue of several NT$ hundred thousand, +2 represents an increase in revenue of several NT$ million, and +5 represents an increase in revenue of several NT$ billion.

Item	Implementation status
3. Describe the financial impact of extreme climate events and transformation actions.	(1) Extreme weather events in recent years have caused power shortages and heavy rainfall. The Company has implemented relevant measures, such as installing waterproof gates and conducting training sessions, and the financial impact is currently within a controllable range. (2) In response to extreme weather events and the development trend of electric vehicles, the Company actively develops electric vehicle customers and special products, continues to research and develop innovation, and optimizes the global production and sales layout. Adjust resource allocation flexibly. The Company's momentum continues to increase by grasping the mainstream growth trend of electric vehicles, growing new customers, and successive mass production of new series of products as customers' new vehicles are launched.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Corporate risk and opportunity items are compiled and discussed in internal meetings to identify the Company's climate change risks and opportunities. Heads of each department evaluate the impact on the Company and the impact on the Company's overall risk management and control. The climate-related risk management process includes the following four steps: (1) Identify risk/opportunity factors: Consult industry peers, excellent ESG companies, company management, and external expert assistance. (2) Discuss the probability of occurrence and the level of loss/gain: Convene the ESG Sustainability Committee meeting to determine the probability of occurrence of risks and opportunities and the level of loss/gain. In the above table identifying climate risks and opportunities (1), describe the financial impacts arising from each risk or opportunity and the potential costs of actions taken to manage them. (3) Confirm the degree of impact: multiply the probability of occurrence by the loss/profit to obtain the degree of impact, and set the management priority according to the degree of impact. (4) Establishment of measures and targets: Formulate countermeasures and carbon reduction targets for 5 risk and opportunity factors.
5. If a scenario analysis is used to evaluate the resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained.	Currently, no scenario analysis is used to evaluate the resilience in the face of climate change risks.

Item	Implementation status
6. If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	1. Conduct organizational GHG inventories (Categories 1-4) in accordance with ISO 14064-1:2018 and obtain third-party verification. 2. Reviewed the 2025 performance indicators against the established goals to manage the risks and opportunities brought by climate change, including indicators such as the increase in the proportion of revenue from electric vehicles (green products), the increase in the proportion of high-grade products, and the decrease in energy consumption intensity per unit of product weight. 3. Regularly collect environmental data, analyze performance indicators, and review management measures based on performance results to make improvements.
7. If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Internal carbon pricing is not currently used as a planning tool .
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or renewable energy certificates (RECs) were used to achieve the goals, it should be explained the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs) for which they are exchanged.	We have initially set a net-zero target for 2050 (in Scopes 1 and 2), a 20% reduction in carbon emissions by 2030 through improved energy efficiency, equipment replacement, and energy management, a 60% reduction by 2040 through the adoption of low-carbon materials and alternative energy equipment, and a 100% reduction by 2050 through low-carbon supply chains and transportation optimization. RECs have not yet been implemented.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and concrete action plans (please fill in 1-1 and 1-2 separately).	Additionally, include under 1-1 the Company’s GHG inventory and assurance status for the most recent 2 years, and under 1-2 the GHG reduction targets, strategies, and concrete action plans.

1-1. The Company’s greenhouse gas inventory and assurance in the last 2 years

(1) Greenhouse gas information:

Item	Greenhouse Gas Inventory Information
Describe the GHG emission volume (metric tons CO_2e), intensity (metric tons of CO_2e/NTD million), and data coverage for the most recent 2 years.	The main energy used by the Company include electricity, gasoline, diesel, and liquefied petroleum gas (LPG). The Company’s GHG emissions inventory operations reference the ISO 14064-1: 2018 GHG Inventory Protocol specifications and calculate GHG emissions for Categories 1, 2, 3, and 4. The Company is a benchmark enterprise in Taiwan’s steel fastener industry and is committed to improving energy efficiency. Carbon inventory operations commenced in 2023. The greenhouse gas assurance/verification opinion statement for the 2024 inventory was obtained from TÜV RHEINLAND TAIWAN LTD. in July 2025. Implementation continued in 2026; once the complete GHG assurance data have been obtained, they will be uploaded to MOPS.

Item		Data coverage	2024	2025	Total in 2025
Emissions volume (tons of CO_2e)	Scope 1 (Category 1) Direct GHG emission	Parent company in Taiwan (Note 1)	151	135	
		Each subsidiary (Note 2)	8,591	6,857	6,992
	Scope 2 (Category 2) Indirect GHG emission between input energy	Parent company in Taiwan	12,061	10,257	
		Each subsidiary	29,950	30,392	40,649
	Scope 3 (Category 3) Indirect GHG emission caused by transportation	Parent company in Taiwan	4,701	3,619	-
	Scope 3 (Category 4) Indirect GHG emissions from the use of products by the organization	Parent company in Taiwan	46,641	42,711	-
	Total emission volume A: Scope 1 and 2 (Category 1 to 2)	Parent company in Taiwan	12,212	10,392	-
	Total emissions B: Scope 1, 2, and 3 (Category 1 - 4)	Parent company in Taiwan	63,554	56,722	-
Revenue (NTD million)		Parent company in Taiwan	4,857	4,046	
Product weight (tons)		Parent company in Taiwan	14,738	12,433	
Emission intensity	Emissions volume A/Revenue (tons of CO_2e/NTD million)	Parent company in Taiwan	2.51	2.57	-
	Emissions volume A/Product weight (tons of CO_2e/tons)	Parent company in Taiwan	0.83	0.84	-
	Emissions volume B/Revenue (tons of CO_2e/NTD million)	Parent company in Taiwan	13.06	14.02	-
	Emissions volume B/Product weight (tons of CO_2e/tons)	Parent company in Taiwan	4.31	4.56	-

Note 1: The parent company for the consolidated financial reporting of the Company, with the covered sites as shown in the table below.

Note 2: The subsidiaries are those included in the Company’s consolidated financial reporting, encompassing the Company’s subsidiaries located in Taiwan, China, Germany, the United States, Thailand, and Vietnam, which began conducting GHG emission inventories (Categories 1 & 2) in 2025.

(2) Greenhouse Gas Assurance Information:

<table>
<tr><th>Item</th><th colspan="3">Greenhouse Gas Assurance Information</th></tr>
<tr><td rowspan="6">Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.</td><td colspan="3">Explanation of the GHG assurance status:</td></tr>
<tr><td>Year / Content</td><td>2024</td><td>2025</td></tr>
<tr><td>Assurance scope</td><td>The assurance covers the locations of the parent company consolidated for financial reporting, including:
(1) The Company’s headquarters (3F) and office (4F) in Tainan, Taiwan;
(2) Ren-De Plant;
(3) Bao-An Plant;
(4) No. 52 and 56, Sheng-Li Plant.

Assurance scope:
(1) Category 1: Direct GHG emission
(2) Category 2: Indirect GHG emission between input energy
(3) Category 3: Indirect GHG emission caused by transportation
(4) Category 4: Indirect GHG emissions from the use of products by the organization
(5) Categories 5 and 6: Not quantified</td><td>The assurance covers the locations of the parent company consolidated for financial reporting, including:
(1) The Company’s headquarters (3F) and office (4F) in Tainan, Taiwan;
(2) Ren-De Plant (closed in August 2025);
(3) Bao-An Plant;
(4) No. 52 and 56, Sheng-Li Plant;
(5) Gui-Ren Plant (newly added).

Assurance scope:
Same as left (same as 2024)</td></tr>
<tr><td>Assurance Institution</td><td>TÜV RHEINLAND TAIWAN LTD. (TÜV Rheinland)</td><td>Same as left (same as 2024)</td></tr>
<tr><td>Assurance standards</td><td>ISO 14064-1:2018</td><td>Same as left (same as 2024)</td></tr>
<tr><td>Assurance opinion</td><td><u>Reasonable assurance:</u>
According to the verification process and procedures carried out by the verifier, there is sufficient evidence to show that the GHG claims of QST INTERNATIONAL CORP. are materially consistent, and that the GHG quantification, monitoring, and reporting have been prepared in accordance with international standards based on the agreed-upon verification criteria, presenting the GHG data and related information in an impartial manner.</td><td>The Company had not obtained the complete GHG assurance opinion as of the date of printing this annual report. The complete assurance information will be uploaded to the MOPS upon receipt.</td></tr>
</table>

1-2. Greenhouse gas reduction goals, strategies and concrete action plans

Item	Greenhouse gas reduction goals, strategies and concrete action plans
Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.	1. Baseline year and corresponding data for GHG reduction: In recent years, net-zero emissions have become a common goal among many countries and enterprises. GHG inventory serves as the foundation for emissions management and carbon reduction efforts. In 2023, the Company conducted its first GHG inventory in accordance with ISO 14064:2018 and passed third-party verification. Therefore, the Company has designated 2023 as the baseline year for emissions reduction, with Scope 1 and Scope 2 GHG emissions amounting to 136 metric tons and 11,421 metric tons, respectively. (The baseline year for the greenhouse gas inventory was originally set for 2023. However, due to the relocation of the Company's Ren-De Plant to the Gui-Ren Industrial Zone in August 2025, the organizational boundaries and scope of operations have changed, so the baseline year for the greenhouse gas inventory has been reset.) 2. Reduction goals: Based on the 2023 carbon emissions as the baseline, the Company has established a three-phase carbon reduction target (Scope 1 and 2): 20% by 2030, 60% by 2040, and 100% by 2050. 3. Strategies and specific action plans: (1) The carbon reduction strategies focus on three areas: process improvement, energy transition, and circular economy. (2) The action plans include enhancing energy efficiency, improving the operational efficiency of machinery and equipment, controlling electricity usage, optimizing energy utilization, increasing the proportion of green energy, promoting resource recycling and reuse, and reducing waste. 4. Achievement status of reduction targets: (1) Starting in 2025, the achievement of carbon reduction targets will be tracked annually, and the effectiveness of the action plans will be reviewed and implemented accordingly. (2) The Company reviews carbon emissions across various categories during multiple ESG Sustainability Committee meetings, discusses GHG reduction measures, and considers action plans involving process redesign, equipment improvement or replacement, fuel conversion, and even behavioral changes. (3) The Company will further replace outdated equipment, increase the proportion of green energy usage, enhance energy management systems and energy efficiency, and reduce carbon emissions in material and product transportation.

Item	Greenhouse gas reduction goals, strategies and concrete action plans
	5. The Company's implementation in 2025 is as follows: (1) Policy: ● Reduce energy consumption and usage. ● Conducting a GHG inventory to monitor emissions and develop reduction plans. ● Implement energy-saving and carbon-reducing measures to achieve carbon reduction targets. (2) Commitment: ● Net-zero carbon emissions by 2050. (3) Goals: ● Energy consumption per unit product weight ≤ 6,500 (MJ/tons). ● Category 1 and 2 carbon emissions per unit product weight ≤ 0.9 (tons/tons). (4) Specific actions taken: ● Implement energy-saving and carbon reduction measures. ● GHG inventory. (5) Management mechanism: ● ISO14064-1:2018. (6) Achievement of performance and adjustments: ● Energy consumption per unit product weight = 6,346 (MJ/tons). ● Category 1 and 2 carbon emissions per unit product weight = 0.84 (tons/tons). ● Continue implementing energy-saving and carbon-reduction measures.

(VI) The Company's implementation of ethical corporate management and any differences with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof:

Evaluation item	Implementation status (Note 1)			Implementation Status and Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures (I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(I) The Company's Board of Directors adopted the "Ethical Corporate Management Best-Practice Principles" and the "Code of Ethical Conduct for Directors and Managers" on March 19, 2021, and amended them in 2022 based on the latest laws and regulations. The Company disclosed the contents in electronic form on the Company's website to state the policies and practices of ethical management and the commitment of the Board of Directors and senior management to actively implement the management policies.	No material difference.
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPE Listed Companies?	✓		(II) The Company's Board of Directors has adopted the "Ethical Corporate Management Best Practice Principles," of which Articles 9 to 15 specifically cover the prohibitions and precautions against the conducts set forth in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for Listed Companies." Through the establishment of internal rules and regulations, the Company has established the "Employee Code of Conduct," which stipulates that employees shall abide by the principles of honesty and trustworthiness and serves as a basis for employees to comply with their normal work and behavior. The Company implements ethical corporate management through education and training to prevent unethical behavior. During the induction period, new employees receive ethics training (including but not limited to courses on gender equality and anti-corruption) to ensure all employees adhere to the Company's code of ethical conduct. Existing employees receive ongoing ethical training through internal/ external courses. The percentage of our employees trained in work ethics courses in 2025:	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Implementation Status and Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</td><td>✓</td><td></td><td>
<table>
<tr><th>Item</th><th>Total Number of Employees</th><th>Number of trainees</th><th>%</th></tr>
<tr><td>New recruits</td><td>60</td><td>60</td><td>100</td></tr>
<tr><td>Purchasing Department</td><td>2</td><td>2</td><td>100</td></tr>
<tr><td>Accounting Department</td><td>10</td><td>3</td><td>30</td></tr>
<tr><td>Audit Office</td><td>2</td><td>1</td><td>50</td></tr>
<tr><td>Human Resources Department</td><td>4</td><td>0</td><td>0</td></tr>
</table>
Percentage of trainees who received anti-corruption training:
<table>
<tr><th>Locations</th><th>Item</th><th>Total Number of Employees</th><th>Number of trainees</th><th>%</th></tr>
<tr><td rowspan="2">Chang-rong Rd.</td><td>New recruits</td><td>19</td><td>19</td><td>100</td></tr>
<tr><td>Production Management Department</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td rowspan="2">Bao’an Plant</td><td>New recruits</td><td>28</td><td>28</td><td>100</td></tr>
<tr><td>Production Management Department</td><td>2</td><td>2</td><td>100</td></tr>
<tr><td rowspan="2">Ren-de Plant</td><td>New recruits</td><td>13</td><td>13</td><td>100</td></tr>
<tr><td>Production Management Department</td><td>0</td><td>0</td><td>0</td></tr>
</table>
(III)
On March 19, 2021, the Company's Board of Directors approved the "Procedures for Handling Reports of Illegal, Unethical and Dishonest Conduct", encouraging the reporting of any illegal activities and violations of ethical behavior guidelines and the principles of ethical corporate management, and regularly reviewing and revising the measures.
In the event of a violation of the Code of Ethics or unlawful conduct, employees are encouraged to report to their immediate supervisor. There is also an internal hotline and mailbox for the general public and vendors to provide relevant information.</td><td></td></tr>
<tr><td>II. Ethical Management Practice
(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</td><td>✓</td><td></td><td>(I) The Company has specified in its business contracts the provisions to prevent and punish violations of the ethical principles.</td><td>No material difference.</td></tr>
</table>

Evaluation item	Implementation status (Note 1)			Implementation Status and Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		(II) The Company's "ESG Committee" has a secretariat and five teams under it: Business Team, Management Team, Production Control Team, Human Resources Team, and Finance & Accounting Team. Members of each team come from relevant departments within the company. Good corporate governance and ethical corporate management are the foundation of the Company's operations. The specific practices are as follows: 1. The financial and accounting unit (financial and accounting team) is responsible for formulating and amending the relevant important procedures of the Company in accordance with the laws and regulations, and shall be approved by the Board of Directors, and the content of these important procedures shall be disclosed on the Company's website in the form of electronic files to clearly state the policy of ethical management and practices. 2. The Human Resources Department (Human Resources Team) is responsible for the Company's related education and training, which covers corporate governance matters such as the promotion of ethical management, anti-corruption, anti-bribery and legal compliance. 3. Ethical Training Courses: To ensure that employees uphold the principles of "integrity, learning, gratitude, and commitment" while performing their duties, the Company implements training to prevent unethical behavior. New employees receive ethical code training during their onboarding period, which includes but is not limited to	

Evaluation item	Implementation status (Note 1)			Implementation Status and Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			courses on gender equality and anti-corruption. Existing employees participate in internal and external training programs to receive ethical education, ensuring that all employees adhere to the Company's code of ethical conduct. In 2025, a total of 66 employees participated in the Company's ethical training courses, and 62 employees completed the anti-corruption training. 4. Report to the Board of Directors: The Company reports to the Board of Directors once a year on the implementation of sustainable development. The most recent report was approved by the Board of Directors on August 8, 2025. The relevant content regarding "Ethical Corporate Management" in the ESG Report is detailed in Sections <1.3 Identification and Communication of Material Topics of Concern to Stakeholders> and <2.3 Ethical Corporate Management under Corporate Governance>.	
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		(III) The "Rules of Procedure for Board of Directors Meetings" established by the Company provides for a system of recusal of directors' interests. If the Board of Directors has any interest in the proposals listed in the Board of Directors' meeting that may be harmful to the Company's interests, the Board of Directors may present to express his/her opinion and answer questions. However, he/she shall not join the discussion and vote, and shall recuse himself/herself from the discussion and vote, and shall not exercise his/her voting rights on behalf of other directors.	

Evaluation item	Implementation status (Note 1)			Implementation Status and Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		(IV) The Company has established an effective accounting system and internal control system to ensure the implementation of ethical management. The internal auditors have regularly reviewed the compliance of the aforesaid system.	
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		(V) In order to enable the Company's employees to uphold the spirit of "honesty, learning, gratitude, and commitment" when performing their duties, new recruits have undergone employee ethics training during the orientation period to ensure that all employees comply with the Company's code of ethical behavior; incumbents Ethics training through participation in internal/external training courses.	
III. Implementation of Complaint Procedures (I) Has the company established specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	✓		(I) The Company’s Board of Directors adopted the “Measures for the Report on Illegal, Unethical and Dishonest Conducts” on March 19, 2021. The whistleblower may report to the spokesperson, agent, management, financial controller and auditing unit. Upon receiving the report, the recipient unit shall submit it to the president for approval and assign it to the responsible unit for investigation and verification.	No material difference.
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after	✓		(II) The Company’s “Procedures for Handling Reports of Illegal, Unethical and Dishonest Conduct” stipulate that reports will be handled in a confidential manner and	

Evaluation item	Implementation status (Note 1)			Implementation Status and Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
investigation, and mechanisms ensuring such complaints are handled in a confidential manner? (III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	 ✓		will be verified by independent parties. Receiving reports, investigation process and investigation results should be kept in written documents or electronic files, and keep the reports in a safe place. (III) The Company's "Measures for the Report on Illegal, Unethical and Dishonest Conducts" stipulates that the Company shall keep the confidentiality and protect the whistleblower or the person involved in the investigation from unfair treatment or retaliation.	
IV. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		(I) The Company has disclosed the relevant regulations to the Company's website and the Market Observation Post System. (II) The Company has designated a dedicated person responsible for collecting information for disclosure and implementing a spokesperson system.	No material difference.
V. If the company has adopted its own ethical corporate management best-practice principles based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The Board of Directors of the Company has adopted the "Ethical Corporate Management Best-Practice Principles" on March 19, 2021 to establish a corporate culture and build up the solid foundation for ethical management. The actual operation has not been materially different from the Best-Practice Principles set by the Company.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies: In order to establish a good corporate governance system and a corporate ethical management culture, the Company has established the Corporate Governance Best-Practice Principles, the Ethical Corporate Management Best-Practice Principles, the Code of Ethical Conduct for Directors and Managers, and the Measures for the Report on Illegal, Unethical and Dishonest Conducts.				

(VII) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed:

The Corporate Governance section at the Market Observation Post System and the Company's website (http://www.qst.com.tw) are available.

(VIII) The implementation status of the internal control system shall disclose the following matters:

1. Statement of Internal Control System: Please refer to the MOPS > Individual Company > Corporate Governance > Company Regulations / Internal Control ＞ Statement of Internal Control System Announcement (Website: https://mops.twse.com.tw/mops/#/web/t06sg20). Enter the market category, company code, and year.
2. If CPA was engaged to conduct a special audit of internal control system, provide its audit report: None.

(IX) Important resolutions of shareholders' meetings and board meetings in the most recent year and as of the publication date of this annual report.

1. Contents of important resolutions of the shareholders' meeting:

Date of meeting	Contents of important proposals
June 11, 2025 (Regular Shareholders' Meeting)	1. Approved the recognition of 2024 business report and financial statements. 2. Approved the recognition of the proposal for 2024 earnings distribution. 3. Approved the capitalization of earnings through issuance of new shares. 4. Passed amendments to the "Articles of Incorporation." 5. Proposal of the 14th term of the Company's Board of Directors (including independent directors). 6. Approved the proposal to lift the prohibition of new directors from competition.

2. Implementation of important resolutions of shareholders' meetings:

(1) 2024 earnings distribution:
July 5, 2025 was set as the ex-dividend record date, and the full distribution was completed on July 25, 2025 in accordance with the resolution of the shareholders' meeting. (Common stock cash dividend: NT$1.99739903 per share; Class A preferred stock cash dividend: NT$1.9 per share.)

(2) Capitalization of earnings through issuance of new shares:
The declaration became effective upon filing with the Financial Supervisory Commission on September 1, 2025, and the capital increase registration amendment was approved by the Ministry of Economic Affairs on November 4, 2025 through its Letter Jing-Shou-Shang-Zi No. 11430163970. September 23, 2025 was set as the ex-rights record date. The new shares from the capital increase were distributed on November 3, 2025 and have been traded on the TPEx starting from the same date.

(3) Amendments to the "Articles of Incorporation":
The amendment registration was approved by the MOEA under Letter Jing-Shou-Shang-Zi No. 11430097110 dated August 12, 2025.

(4) The 14th term of the Company's Board of Directors (including independent directors):

▲ List of elected directors:
1. Representative of QST HOLDING CO., LTD.: Wu, Rong-Bin
2. Lin, Chin-Ning
3. Representative of QST HOLDING CO., LTD.: Wu, Rong-Chin
4. Representative of Great Trust Corporation: Wu, Chien-Hsu
5. Representative of Great Trust Corporation: Wu, Chien-Heng

▲ List of elected independent directors:
1. Hwang, Chen-An
2. Hseu, Shun-Fa
3. Lin, Chin-Jung
4. Kuo, Su-Hui

▲ Approved for registration by the MOEA under Letter Jing-Shou-Shang-Zi No. 11430097110 dated August 12, 2025, and announced on the Company's website.

3. Important resolutions of board meetings in 2025 and as of the publication date of the annual report:

Board meeting term and date	Proposals
The 15th meeting of the 13th term January 20, 2025	1. Approved the amount to be distributed to the managers for 2023 employees' remuneration. 2. Approved the 2024 Year-end Bonus Plan for managers of the Company. 3. Approved the allocation of employee subscription quotas for managers in connection with the Company's domestic cash capital increase through the issuance of new shares. 4. Approved the proposal for adjustment of managers' remuneration.
The 16th meeting of the 13th term March 12, 2025	1. Approved the proposal to set the capital increase record date for the application for conversion of common stock of the 4th domestic unsecured convertible corporate bond. 2. Approved the proposal for the distribution amounts of employee remuneration and directors' remuneration for 2024. 3. Approved the 2024 Business Report and Financial Statements of the Company. 4. Approved the 2024 earnings distribution plan of the Company. 5. Approved the Company's cash dividend proposal for 2024. 6. Approved the proposal for capitalization of earnings by the Company by issuing new shares for 2024. 7. Approved the evaluation of the independence and suitability of the Company's CPAs. 8. Approved the proposal for the Statement on the Effectiveness of the Design and Implementation of the Company's Internal Control System for 2024. 9. Approved the amendments to the Company's Articles of Incorporation. 10. Approved the definition of the scope for the Company's entry-level employees. 11. Approved the proposal of the amount of endorsement and guarantee provided by the Company to its subsidiaries.

Board meeting term and date	Proposals
	12. Approved the subsidiary's proposed participation in the cash capital increase of Boltun International Company Limited. 13. Approved the election of the 14th term of the Company's Board of Directors (including independent directors). 14. Approved the nomination period, number of positions to be elected, and the location for accepting nominations for candidates for the 14th term of directors (including independent directors). 15. Approved the qualifications of the candidates for the 14th term of directors (including independent directors) nominated by the Board of Directors. 16. Approved the proposal to request the shareholders' meeting to lift the prohibition of new directors from competition. 17. Approved the proposal to convene the 2025 shareholders' meeting.
The 17th meeting of the 13th term April 8, 2025	1. Approved the Board of Directors' supplementary nomination of candidates for the 14th term of independent directors.
The 18th meeting of the 13th term May 9, 2025	1. Approved the proposal to set the capital increase record date for the application for conversion of common stock of the 4th domestic unsecured convertible corporate bond. 2. Approved the proposal of the 2025 consolidated operating budget of the Company. 3. Approved the motion for the Company's 2025 Q1 financial statements. 4. Approved the loan limit provided to subsidiary Boltun Europe Holdings GmbH & Co. KG. 5. Approved the proposal of lending funds by the subsidiary, XIAMEN BOLMAC CO., LTD.
The 1st meeting of the 14th term June 11, 2025 (Temporary)	1. Approved the election of the Chairman of the Board of the Company. 2. Approved the appointment of the President of the Company. 3. Approved the proposal for the segregation of duties of the Company. 4. Approved the custody for the exclusive seal used for endorsement and guarantee. 5. Approved the appointment of the 6th terms of the remuneration committee of the Company.
The 2nd meeting of the 14th term July 14, 2025	1. Approved the adjustment of capital expenditure budget for new plants of the Company. 2. Approved the adjustment to the capital expenditure budget for the new plant construction of Boltun International Company Limited.
The 3rd meeting of the 14th term August 8, 2025	1. Approved the motion for the Company's 2025 Q2 financial statements. 2. Approved the matters related to the record date for the issuance of new shares through capitalization of the Company's earnings and the adjustment of the stock dividend distribution ratio. 3. Approved the Company's 2024 ESG Sustainability Report. 4. Approved the proposal of the amount to be distributed to the directors for 2024 remuneration. 5. Approved the proposal of the amount to be distributed to the independent directors for 2024 remuneration.

Board meeting term and date	Proposals
The 4th meeting of the 14th term November 10, 2025	1. Approved the motion for the Company's 2025 Q3 financial statements. 2. Approved the discussion of the Company's 2026 annual audit plan. 3. Approved the amendments to the Company's internal control system. 4. Approved the proposal of the amount of endorsement and guarantee provided by the Company to its subsidiaries.
The 5th meeting of the 14th term February 2, 2026	1. Approved the amendments to the Company's internal control system. 2. Approved the acquisition of equity interests in SUZHOU CASEY PRODUCTS CO., LTD. by the subsidiary YESWIN (SHANGHAI) CORPORATION 3. Approved the proposal of the amount of endorsement and guarantee provided by the Company to its subsidiaries. 4. Approved the amount to be distributed to the managers for 2024 employees' remuneration. 5. Approved the amount to be distributed to the managers for 2025 year-end bonus. 6. Approved the proposal for adjustment of managers' remuneration. 7. Approved the reappointment of the Company's Assistant Vice President
The 6th meeting of the 14th term March 11, 2026	1. Approved the definition of the scope of the Company's entry-level employees for 2026. 2. Approved the proposal for the distribution amounts of employee remuneration and directors' remuneration for 2025. 3. Approved the 2025 Business Report and Financial Statements of the Company. 4. Approved the 2025 earnings distribution plan of the Company. 5. Approved the Company's cash dividend proposal for 2025. 6. Approved the evaluation of the independence and suitability of the Company's CPAs. 7. Approved the proposal of the Statement on the Design and Implementation Effectiveness of the Company's Internal Control System for the year 2025. 8. Approved the adoption of the Company's Rules Governing the Transfer of Repurchased Shares to Employees. 9. Approved the proposed repurchase of the Company's shares for transfer to employees. 10. Approved the proposal to convene the 2026 shareholders' meeting.

(X) In the most recent year and up to the publication date of the annual report, if any director had a differing opinion on important resolutions passed by the Board of Directors and issued a record or written statement, the main content: None.

IV. Information on the professional fees of the attesting CPAs:

(I). Information on CPA (External Auditor) Professional Fees

Unit: NTD thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Wu, Chang-Chun and Liao, Hung-Ru	January 1 to December 31, 2025	5,030	5,830	10,860	Non-audit fees include business registration, transfer pricing report, information security management system, and the project for the introduction and verification services of the automotive safety assessment information exchange platform.

(II) If there is a change of accounting firm and the audit fees paid in the year of the change are lower than those in the previous year, the amount of audit fees before and after the change and the reason for the change shall be disclosed: None.

(III) When audit public expenditure has decreased by 10% or more from the previous year, the amount, percentage, and reason of such reduction shall be disclosed: None.

V. Information on replacement of CPAs: None.

VI. Whether the Chairman, President, or managers in charge of financial or accounting affairs of the Company has worked in the firm of the CPAs or its affiliates in the past year: None.

VII. Changes in share transfers and share pledges of directors, supervisors, managers, and shareholders holding more than 10% of the shares for the most recent year and up to the publication date of the annual report.

(I) Changes in share transfers and share pledges by directors, supervisors, managerial officers, and shareholders holding more than 10% of the Company’s shares:

Transfer of Shares: Please refer to the MOPS > Individual Company > Equity Change / Securities Issuance > Information Inquiry on Transfer of Shares > Statement of Changes in Shareholdings of Insiders (Website: https://mops.twse.com.tw/mops/#/web/query6_1)

Changes in Share Pledges: MOPS > Individual Company > Equity Change / Securities Issuance > Creation or Extinguishment of the Pledge of Insiders > Announcement of Creation or Extinguishment of the Pledge of Insiders (Website: https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

(II) If the counterparty of a transfer of shareholding is a related party: None.

(III) If the counterparty of a pledge of shareholding is a related party: None.

VIII. Information on whether the top ten shareholders by shareholding percentage are related parties to one another, or are spouses or relatives within the second degree of kinship.

April 11, 2026; Unit: Shares

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name of entity or individual	Relationship	
QST HOLDING CO., LTD. Representative: Wu, Rong-Bin	32,981,244 10,034,689	15.79% 4.81%	Not applicable 1,018,906	Not applicable 0.49%	0	0	Wu, Rong-Chin Wu, Chin-Chai Wu, Chien-Hsu	Brother Brother and sister Father and son	-
HE JIAN Holdings Corporation Representative: Wu, Rong-Bin	22,557,890 10,034,689	10.80% 4.81%	Not applicable 1,018,906	Not applicable 0.49%	0	0	Wu, Rong-Chin Wu, Chin-Chai Wu, Chien-Hsu	Brother Brother and sister Father and son	-
BOLTUN CORPORATION Representative: Wu, Rong-Bin	20,925,243 10,034,689	10.02% 4.81%	Not applicable 1,018,906	Not applicable 0.49%	0	0	Wu, Rong-Chin Wu, Chin-Chai Wu, Chien-Hsu	Brother Brother and sister Father and son	-
YONG TONG Holdings Corporation Representative: Wu, Rong-Chin	15,330,902 211,874	7.34% 0.10%	Not applicable 5,423	Not applicable 0.00%	0	0	Wu, Rong-Bin Wu, Chin-Chai	Brother Sister and brother	-
Great Trust Corporation Representative: Wu, Chien-Hsu	10,175,130 1,869,360	4.87% 0.90%	Not applicable 16,498	Not applicable 0.01%	0	0	Wu, Rong-Bin	Father and son	-
Wu, Rong-Bin	10,034,689	4.81%	1,018,906	0.49%	0	0	Wu, Rong-Chin Wu, Chin-Chai Wu, Chien-Hsu	Brother Brother and sister Father and son	-

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name of entity or individual	Relationship	
Wu, Chin-Chai	7,402,903	3.55%	0	0	0	0	Wu, Rong-Bin Wu, Rong-Chin	Brother and sister Sister and brother	-
Zheng, Jun-Zhong (Note 1)	3,247,000	1.55%	Not applicable	Not applicable	0	0	None	None	-
Wu, Chien-Hsu	1,869,360	0.90%	16,498	0.01%	0	0	Wu, Rong-Bin	Father and son	-
Gains Investment Corporation	1,730,749	0.83%	Not applicable	Not applicable	0	0	None	None	-

Note 1: Information about the shareholder is not available.

Note 2: The table shows the top ten shareholders holding common shares.

IX. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same investee, and the combined shareholding percentage

December 31, 2025; Unit: Shares; %

Investee enterprise (Note 1)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
BOLTUN BVI CORPORATION	38,212	80.79%	9,088	19.21%	47,300	100.00%
BQG International Holdings	9,138,000	100.00%	-	-	9,138,000	100.00%
Clico Products, Inc.	100	100.00%	-	-	100	100.00%
QST (Thailand) Co., Ltd	900,000	90.00%	100,000	10.00%	1,000,000	100.00%
QST (BVI) CORPORATION	9,540	100.00%	-	-	9,540	100.00%
BOLTUN UNITED HOLDINGS COMPANY, LLC	6,500,000	100.00%	-	-	6,500,000	100.00%
BEU Holdings Corporation	292,003,381	85.71%	-	-	292,003,381	85.71%
SIN FU SHAN INTERNATIONAL CORP.	2,800,000	50.00%	-	-	2,800,000	50.00%
Q-LAB, INC.	1,353,900	100.00%	-	-	1,353,900	100.00%
Nutec Products Corporation	200	100.00%	-	-	200	100.00%
XIAMEN ESKA AUTOMOTIVE CO., LTD.	Note 2	20%	Note 2	74.284%	Note 2	94.284%
BOLTUN INTERNATIONAL COMPANY LIMITED	Note 2	70%	-	-	Note 2	70%

Note 1: It is the Company's investment accounted for using the equity method.

Note 2: The number of shares is not shown because it is an unlisted company and a limited company.

Three. Fundraising Status

I. Capital and Shares

(I) Source of capital stock:

1. Types of stock

Types of stock	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	208,821,391	81,178,609	300,000,000	Listed shares (OTC)
Preferred shares	10,000,000			

2. Formation of share capital

Unit: NT$ thousands; thousand shares

Month/ year	Issued price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital (NT$ thousand)	Capital paid in by assets other than cash	Other
April 1985	(Note 1)	(Note 1)	600	(Note 1)	600	Established by cash	None	(Note 1)
July 1989	(Note 1)	(Note 1)	5,000	(Note 1)	5,000	Cash capital increase of $4,400	None	(Note 1)
October 1996	10	4,500	45,000	4,500	45,000	Cash capital increase of $40,000	None	(Note 2)
December 1996	10	5,000	50,000	5,000	50,000	Cash capital increase of $5,000	None	(Note 3)
November 1998	10	17,000	170,000	17,000	170,000	Cash capital increase of $120,000	None	(Note 4)
December 1998	10	18,700	187,000	18,700	187,000	Capitalization of retained earnings of $17,000	None	(Note 5)
July 1999	10	22,440	224,400	22,440	224,400	Capitalization of retained earnings of $28,050 Capitalization of capital reserve 9,350	None	(Note 6)
July 2000	10	24,684	246,840	24,684	246,840	Capitalization of capital reserve 22,440	None	(Note 7)
July 2001	10	28,000	280,000	25,918	259,182	Capitalization of capital reserve 12,342	None	(Note 8)
July 2002	10	28,000	280,000	27,862	278,621	Capitalization of retained earnings of $6,480 Capitalization of capital reserve 12,959	None	(Note 9)
August 2003	10	53,000	530,000	34,441	344,414	Cash capital increase of $24,000 Capitalization of retained earnings of $41,793	None	(Note 10)
August 2004	10	53,000	530,000	36,163	361,634	Capitalization of retained earnings of $17,220	None	(Note 11)
August 2005	10	53,000	530,000	39,779	397,798	Capitalization of retained earnings of $36,164	None	(Note 12)
March 2006	10	53,000	530,000	44,779	447,798	Cash capital increase of $50,000	None	(Note 13)
August 2006	10	53,000	530,000	47,019	470,188	Capitalization of retained earnings of $22,390	None	(Note 14)
January 2007	10	100,000	1,000,000	53,019	530,188	Cash capital increase of $60,000	None	(Note 15)
August 2007	10	100,000	1,000,000	58,321	583,207	Capitalization of retained earnings of $53,019	None	(Note 16)
September 2008	10	100,000	1,000,000	60,070	600,703	Capitalization of retained earnings of $17,496	None	(Note 17)
September 2009	10	100,000	1,000,000	62,173	621,727	Capitalization of capital reserve 21,024	None	(Note 18)

Month/ year	Issued price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital (NT$ thousand)	Capital paid in by assets other than cash	Other
September 2010	10	100,000	1,000,000	64,660	646,597	Capitalization of capital reserve 24,870	None	(Note 19)
September 2011	10	100,000	1,000,000	64,881	648,814	Shares in convertible bonds 2,217	None	(Note 20)
December 2011	10	100,000	1,000,000	64,811	648,114	Shares in convertible bonds 2,580 Cancelled treasury shares of $3,280	None	(Note 21)
April 2012	10	100,000	1,000,000	65,145	651,448	Shares in convertible bonds 3,334	None	(Note 22)
July 2012	10	100,000	1,000,000	65,213	652,133	Shares in convertible bonds 685	None	(Note 23)
September 2012	10	100,000	1,000,000	65,629	656,288	Shares in convertible bonds 4,155	None	(Note 24)
October 2012	10	100,000	1,000,000	68,886	688,860	Capitalization of retained earnings of $32,572	None	(Note 25)
December 2012	10	100,000	1,000,000	69,209	692,094	Shares in convertible bonds 3,234	None	(Note 26)
April 2013	10	100,000	1,000,000	70,574	705,737	Shares in convertible bonds 38,643 Cancelled treasury shares of $25,000	None	(Note 27)
May 2013	10	100,000	1,000,000	71,378	713,777	Shares in convertible bonds 8,040	None	(Note 28)
September 2013	10	100,000	1,000,000	69,194	691,936	Shares in convertible bonds 11,959 Cancelled treasury shares of $33,800	None	(Note 29)
December 2013	10	100,000	1,000,000	69,855	698,553	Shares in convertible bonds 6,617	None	(Note 30)
January 2014	10	100,000	1,000,000	79,855	798,553	Cash capital increase of $100,000	None	(Note 31)
January 2014	10	100,000	1,000,000	81,525	815,254	Shares in convertible bonds 16,701	None	(Note 32)
November 2014	10	100,000	1,000,000	91,525	915,254	Cash capital increase of $100,000	None	(Note 33)
February 2016	10	100,000	1,000,000	91,026	910,264	Cancelled treasury shares of $4,990	None	(Note 34)
April 2017	10	100,000	1,000,000	91,955	919,555	Shares in convertible bonds 9,291	None	(Note 35)
June 2017	10	100,000	1,000,000	92,697	926,972	Shares in convertible bonds 7,417	None	(Note 36)
August 2017	10	100,000	1,000,000	96,659	966,596	Shares in convertible bonds 39,624	None	(Note 37)
November 2017	10	200,000	2,000,000	104,060	1,040,600	Shares in convertible bonds 74,004	None	(Note 38)
February 2018	10	200,000	2,000,000	110,625	1,106,252	Shares in convertible bonds 65,652	None	(Note 39)
June 2018	10	200,000	2,000,000	115,603	1,156,032	Shares in convertible bonds 49,780	None	(Note 40)
August 2018	10	200,000	2,000,000	116,236	1,162,363	Shares in convertible bonds 6,331	None	(Note 41)
May 2019	10	200,000	2,000,000	116,338	1,163,382	Shares in convertible bonds 1,019	None	(Note 42)
September 2019	10	200,000	2,000,000	116,383	1,163,830	Shares in convertible bonds 448	None	(Note 43)
March 2020	10	200,000	2,000,000	126,383	1,263,830	Issuance of preferred shares of $100,000 by cash capital increase	None	(Note 44)
February 2021	10	200,000	2,000,000	126,385	1,263,847	Shares in convertible bonds 17	None	(Note 45)
June 2021	10	200,000	2,000,000	127,495	1,274,951	Shares in convertible bonds 11,105	None	(Note 46)
September 2021	10	200,000	2,000,000	128,979	1,289,788	Shares in convertible bonds 14,836	None	(Note 47)
December 2021	10	200,000	2,000,000	129,290	1,292,902	Shares in convertible bonds 3,114	None	(Note 48)
October 2022	10	200,000	2,000,000	141,219	1,412,192	Capitalization of capital reserve 119,290	None	(Note 49)
December 2022	10	200,000	2,000,000	145,347	1,453,473	Shares in convertible bonds 41,281	None	(Note 50)

Month/ year	Issued price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital (NT$ thousand)	Capital paid in by assets other than cash	Other
April 2023	10	200,000	2,000,000	145,755	1,457,550	Shares in convertible bonds 4,077	None	(Note 51)
June 2023	10	200,000	2,000,000	146,202	1,462,016	Shares in convertible bonds 4,466	None	(Note 52)
August 2023	10	300,000	3,000,000	146,635	1,466,346	Shares in convertible bonds 4,330	None	(Note 53)
October 2023	10	300,000	3,000,000	160,245	1,602,449	Capitalization of retained earnings of $136,103	None	(Note 54)
December 2023	10	300,000	3,000,000	160,635	1,606,355	Shares in convertible bonds 3,906	None	(Note 55)
April 2024	10	300,000	3,000,000	161,372	1,613,717	Shares in convertible bonds 7,362	None	(Note 56)
May 2024	10	300,000	3,000,000	161,930	1,619,299	Shares in convertible bonds 5,582	None	(Note 57)
September 2024	10	300,000	3,000,000	163,730	1,637,299	Shares in convertible bonds 18,000	None	(Note 58)
September 2024	10	300,000	3,000,000	178,904	1,789,038	Capitalization of retained earnings of $151,739	None	(Note 59)
December 2024	10	300,000	3,000,000	179,305	1,793,045	Shares in convertible bonds 4,008	None	(Note 60)
April 2025	10	300,000	3,000,000	199,613	1,996,132	Issuance of common shares of $200,000 by cash capital increase Shares in convertible bonds 3,087	None	(Note 61)
August 2025	10	300,000	3,000,000	199,860	1,998,601	Shares in convertible bonds 247	None	(Note 62)
November 2025	10	300,000	3,000,000	218,821	2,188,214	Capitalization of retained earnings of $18,961	None	(Note 63)

Note 1: The company was founded as a limited liability company and was reorganized as a joint stock company in May 1995.

Note 2: Approved by the Department of Construction of Taiwan Provincial Government on October 5, 1996 with letter (85) Jian San Ji Zi No. 241122.

Note 3: Approved by the Department of Construction of Taiwan Provincial Government on December 11, 1996 with letter (85) Jian San Ding Zi No. 726363.

Note 4: Approved by the Department of Commerce of the MOEA on October 19, 1998 with letter (87) Shang Zi No. 087133483.

Note 5: Approved by the Department of Commerce of the MOEA on November 16, 1998 with letter (87) Shang Zi No. 087136805.

Note 6: Approved by the Securities and Futures Commission on July 27, 1999 with letter (88) Tai Cai Zheng (I) No. 63662.

Note 7: Approved by the Securities and Futures Commission, Letter No. Tai-Cai-Zheng (I) No. 57697 dated July 5, 2000.

Note 8: Approved by the Securities and Futures Commission on July 2, 2001 with letter (90) Tai Cai Zheng (I) No. 142162.

Note 9: Approved by the Securities and Futures Commission on July 17, 2002 with letter (91) Tai Cai Zheng Yi Zi No. 0910139698.

Note 10: Approved by the Securities and Futures Commission on July 22, 2003 with letter (92) Tai Cai Zheng Yi Zi No. 0920132916.

Note 11: Approved by the FSC, Executive Yuan on July 28, 2004 with letter (93) Jin Guan Zheng Yi Zi No. 0930133696.

Note 12: Approved by the FSC, Executive Yuan on July 01, 2005 with letter (94) Jin Guan Zheng Yi Zi No. 0940126460.

Note 13: Approved by the FSC, Executive Yuan on January 18, 2006 with letter (95) Jin Guan Zheng Yi Zi No. 0950101341.

Note 14: Approved by the FSC, Executive Yuan on July 17, 2006 with letter (95) Jin Guan Zheng Yi Zi No. 0950130712.

Note 15: Approved by the FSC, Executive Yuan on November 24, 2006 with letter (95) Jin Guan Zheng Yi Zi No. 0950153096.

Note 16: Approved by the FSC, Executive Yuan on July 12, 2007 with letter (96) Jin Guan Zheng Yi Zi No. 0960035928.

Note 17: Approved by the FSC, Executive Yuan on July 29, 2008 with letter (97) Jin Guan Zheng Yi Zi No. 0970038008.

Note 18: Approved by the FSC, Executive Yuan on August 5, 2009 with letter (98) Jin Guan Zheng Fa Zi No. 09800039127.

Note 19: Approved by the FSC, Executive Yuan on August 3, 2010 with letter (99) Jin Guan Zheng Fa Zi No. 0990040516.

Note 20: Approved by the MOEA on September 15, 2011 with letter Jin Shou Shang Zi No. 10001215180.

Note 21: Approved by the MOEA on December 14, 2011 with letter Jin Shou Shang Zi No. 10001281610.

Note 22: Approved by the MOEA on April 19, 2012 with letter Jin Shou Shang Zi No. 10101067230.

Note 23: Approved by the MOEA on July 17, 2012 with letter Jin Shou Shang Zi No. 10101144420.

Note 24: Approved by the MOEA on September 17, 2012 with letter Jin Shou Shang Zi No. 10101193970.

Note 25: Approved by the FSC, Executive Yuan on August 15, 2012 with letter Jin Guan Zheng Fa ZiNo. 1010035929.

Note 26: Approved by the MOEA on December 21, 2012 with letter Jin Shou Shang Zi No. 10101260960.

Note 27: Approved by the MOEA on April 15, 2013 with letter Jin Shou Shang Zi No. 10201068400.

Note 28: Approved by the MOEA on May 28, 2013 with letter Jin Shou Shang Zi No. 10201098460.

Note 29: Approved by the MOEA on September 2, 2013 with letter Jin Shou Shang Zi No. 10201179160.

Note 30: Approved by the MOEA on December 2, 2013 with letter Jin Shou Shang Zi No. 10201243320.

Note 31: Approved by the FSC, Executive Yuan on October 28, 2013 with letter Jin Guan Zheng Fa Zi No. 1020042438.

Approved by the MOEA on January 16, 2014 with letter Jin Shou Shang Zi No. 10301002320.

Note 32: Approved by the MOEA on January 29, 2014 with letter Jin Shou Shang Zi No. 10301017330.

Note 33: Approved by the FSC, Executive Yuan on August 21, 2014 with letter Jin Guan Zheng Fa Zi No. 1030028958.

Approved by the MOEA on November 17, 2014 with letter Jin Shou Shang Zi No. 10301238100.

Note 34: Approved by the MOEA on February 5, 2016 with letter Jin Shou Shang Zi No. 10501027960.

Note 35: Approved by the MOEA on April 13, 2017 with letter Jin Shou Shang Zi No. 10601046030.

Note 36: Approved by the MOEA on June 2, 2017 with letter Jin Shou Shang Zi No. 10601069290.

Note 37: Approved by the MOEA on August 29, 2017 with letter Jin Shou Shang Zi No. 10601123940.

Note 38: Approved by the MOEA on November 29, 2017 with letter Jin Shou Shang Zi No. 10601160090.

Note 39: Approved by the MOEA on February 14, 2018 with letter Jin Shou Shang Zi No. 10701019500.

Note 40: Approved by the MOEA on June 19, 2018 with letter Jin Shou Shang Zi No. 10701059250.

Note 41: Approved by the MOEA on August 28, 2018 with letter Jin Shou Shang Zi No. 10701108750.

Note 42: Approved by the MOEA on May 29, 2019 with letter Jin Shou Shang Zi No. 10801064170.

Note 43: Approved by the MOEA on September 2, 2019 with letter Jin Shou Shang Zi No. 10801119660.

Note 44: Approved by the FSC, Executive Yuan on December 6, 2019 with letter Jin Guan Zheng Fa Zi No. 1080338942.

Approved by the MOEA on March 19, 2020 with letter Jin Shou Shang Zi No. 10901036640.

Note 45: Approved by the MOEA on February 8, 2021 with letter Jin Shou Shang Zi No. 11001025810.

Note 46: Approved by the MOEA on June 25, 2021 with letter Jin Shou Shang Zi No. 11001094190.

Note 47: Approved by the MOEA on September 3, 2021 with letter Jin Shou Shang Zi No. 11001157120.

Note 48: Approved by the MOEA on December 2, 2021 with letter Jin Shou Shang Zi No. 11001218630.

Note 49: Approved by the Ministry of Economic Affairs through Letter Jing-Shou-Shang-Zi No. 11101189270 dated October 14, 2022.

Note 50: Approved by the Ministry of Economic Affairs through Letter Jing-Shou-Shang-Zi No. 11101227090 dated December 8, 2022.

Note 51: Approved by the Ministry of Economic Affairs through Letter Jing-Shou-Shang-Zi No. 11230059060 dated April 12, 2023.

Note 52: Approved by the Ministry of Economic Affairs through Letter Jing-Shou-Shang-Zi No. 11230094390 dated June 9, 2023.

Note 53: Approved by the Ministry of Economic Affairs through letter Jing-Shou-Shang-Zi No. 11230167050 dated August 25, 2023.

Note 54: Approved by the Ministry of Economic Affairs through Letter Jing-Shou-Shang No. 11230186670 dated October 4, 2023.

Note 55: Approved by the Ministry of Economic Affairs through Letter Jing-Shou-Shang-Zi No. 11230224700 dated December 5, 2023.

Note 56: Approved by the Ministry of Economic Affairs through Letter Jing-Shou-Shang-Zi No. 11330051780 dated April 23, 2024.

Note 57: Approved by the MOEA on May 30, 2024 with letter Jing-Shou-Shang-Zi No. 11330090640.

Note 58: Approved by the MOEA on September 3, 2024 with letter Jing-Shou-Shang-Zi No. 11330157470.

Note 59: Approved by the MOEA on September 27, 2024 with letter Jing-Shou-Shang-Zi No. 11330174410.

Note 60: Approved by the MOEA on December 2, 2024 with letter Jing-Shou-Shang-Zi No. 11330205160.

Note 61: Approved by the FSC on January 14, 2025 with letter Jin-Guan-Zheng-Fa-Zi No. 1130368257.

Approved by the MOEA on April 14, 2025 with letter Jing-Shou-Shang-Zi No. 11430046220.

Note 62: Approved by the MOEA on August 12, 2025 with letter Jing-Shou-Shang-Zi No. 11430097110.

Note 63: Approved by the MOEA on November 4, 2025 with letter Jing-Shou-Shang-Zi No. 11430163970.

3. Information on shelf registration: Not applicable.

(II) List of major shareholders: Name, number and percentage of shares held by shareholders with a stake of 5% or greater, or by the shareholders who rank in the top 10 in shareholding percentage.

April 11, 2026; Unit; Shares

Shares / Names of major shareholders	Shareholding (shares)	Shareholding ratio
QST HOLDING CO., LTD.	32,981,244	15.79%
HE JIAN Holdings Corporation	22,557,890	10.80%
BOLTUN CORPORATION	20,925,243	10.02%
YONG TONG Holdings Corporation	15,330,902	7.34%
Great Trust Corporation	10,175,130	4.87%
Wu, Rong-Bin	10,034,689	4.81%
Wu, Chin-Chai	7,402,903	3.55%
Zheng, Jun-Zhong	3,247,000	1.55%
Wu, Chien-Hsu	1,869,360	0.90%
Gains Investment Corporation	1,730,749	0.83%

Note: The table shows the top ten shareholders holding common shares.

(III) Company’s dividend policy and implementation thereof:

1. Dividend policy:

Dividend policy adopted in the company’s Articles of Incorporation

When the Company’s annual final accounts show a surplus, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company’s total paid-in capital. The Company also sets aside or reverses the special reserve in accordance with the legal regulations, and if there is still a surplus, it shall be added to the accumulated undistributed earnings as the distributable earnings for the year. The remaining balance shall be distributed as common stock dividends after the preferred stock dividends are distributed in accordance with Article 6-2 of the Articles of Incorporation, and the Board of Directors shall propose the distribution of the earnings. If the earnings distribution is made by issuing new shares, a resolution shall be adopted at the shareholders’ meeting.

Pursuant to the Company’s Articles of Incorporation, the Board of Directors is authorized to make a special resolution to distribute dividends and bonuses or the legal reserves and capital reserves stipulated in Paragraph 1 of Article 241 of the Company Act, in whole or in part, to be paid in cash, and such resolution shall be submitted to the shareholders' meeting for reporting.

The Company places great importance on the stability and growth of dividends. The dividend policy is determined based on the Company’s future capital budget planning and the assessment of future capital requirements, thus determining the appropriate ratio of cash and stock dividends. The ratio of cash dividends to total dividends shall not be less than 40%.

2. The dividend distributions proposed at the most recent shareholders’ meeting:

On March 11, 2026, the Board of Directors of the Company resolved to distribute NTD 23,967,260 of Class-A preferred shares and cash dividends of NTD 313,232,087 for common shares.

QST INTERNATIONAL CORP.
2025 Earnings Distribution Table

NT$

Item	Sub-total	Total
Undistributed earnings at the beginning of the period		554,000,765
Add: 2025 net profit after tax	415,264,170	
Add: Remeasurement of the defined benefit plan recognized in retained earnings	6,860,110	
Subtotal net income plus adjustments for the current period		422,124,280
Less: Legal reserve (10%) to be set aside		(42,212,428)
Add: Reversal of special reserve		75,647,713
Current period distributable earnings subtotal		1,009,560,330
Less: preferred share dividends (NTD 2.396726 per share)	(23,967,260)	
Less: Common stock dividends - cash dividends (NTD 1.5 per share)	(313,232,087)	
Subtotal of distributed items		(337,199,347)
Undistributed earnings at the end of the period		672,360,983

(IV) Impacts of stock grants on the Company's operating performance and earnings per share:

<table>
<tr><th colspan="3">Item</th><th>2026 (estimated)</th></tr>
<tr><td colspan="3">Paid-in capital at the beginning of the year (NTD) (including preference shares)</td><td>2,188,213,910</td></tr>
<tr><td rowspan="3">Dividends for the year</td><td colspan="2">Cash dividends per share</td><td>1.5 (NT$) (Note 1)</td></tr>
<tr><td colspan="2">Stock dividends issued from capitalization of earnings (shares)</td><td>-</td></tr>
<tr><td colspan="2">Stock dividends per share</td><td>-</td></tr>
<tr><td rowspan="7">Changes in business performance</td><td colspan="2">Operating profit</td><td rowspan="7">Not applicable (Note 2)</td></tr>
<tr><td colspan="2">Operating income increase (decrease) ratio year-on-year</td></tr>
<tr><td colspan="2">Net profit after tax</td></tr>
<tr><td colspan="2">Net profit after tax increase (decrease) from the same period last year</td></tr>
<tr><td colspan="2">Earnings per share (NT$)</td></tr>
<tr><td colspan="2">Earnings per share increase (decrease) ratio year-on-year</td></tr>
<tr><td colspan="2">Annual average return on investment (annual average PE ratio reciprocal)</td></tr>
<tr><td rowspan="6">Pro forma EPS and P/E ratio</td><td rowspan="2">If capitalized earnings are fully capitalized, they will be distributed instead as cash dividends</td><td>Pro forma earnings per share (NTD)</td><td rowspan="6">Not applicable (Note 2)</td></tr>
<tr><td>Proposed average annual return on investment</td></tr>
<tr><td rowspan="2">If the capital reserve has not been transferred to capital increase,</td><td>Pro forma earnings per share (NTD)</td></tr>
<tr><td>Proposed average annual return on investment</td></tr>
<tr><td rowspan="2">If no capital reserve is made and earnings are transferred to capital, cash dividends are paid instead</td><td>Pro forma earnings per share (NTD)</td></tr>
<tr><td>Proposed average annual return on investment</td></tr>
</table>

Note 1: The 2025 cash dividend was approved by the Board of Directors on March 11, 2026.

Note 2: The Company did not publish financial forecast for 2026, so it is not applicable.

(V) Remuneration to employees and directors:

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

   The Company shall use the current year's pre-tax income before allocating employees' remuneration and directors' remuneration to cover the accumulated losses. If there is any remaining balance, not less than 3% (no less than 20% of the employee compensation amount shall be appropriated as compensation for grassroots employees) and not more than 2% of the balance shall be appropriated for employees' compensation and remuneration to directors, respectively.
   The determination of employee compensation, the distribution ratio of remuneration to directors and supervisors, and the employee compensation in stock or cash shall be made by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, and reported to the shareholders. Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements. These requirements are authorized to be set by the Board of Directors.

2. Basis for estimation of employee's compensation and remuneration to directors and supervisors in this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount paid out is different from the estimated amount:

   (1) In accordance with Article 25 of the Company's Articles of Incorporation, the Company shall appropriate the balance of the current year's pre-tax income before the distribution of the remuneration of employees and directors to offset the accumulated losses and shall appropriate no less than 3% (no less than 20% of the employee compensation amount shall be appropriated as compensation for entry-level employees) and the remuneration to directors shall not exceed 2%.

   (2) Employees' stock-based compensation is calculated based on the closing price of stock on the day before the date of the board of directors' resolution; however, in accordance with (1) above, cash compensation is distributed instead of stock-based compensation, so it is not applicable.

   (3) If the actual employees' compensation amount distributed differs from the estimated amount, it is recorded as profit or loss in the following year.

3. Distribution of remuneration approved by the Board of Directors:

   On March 11, 2026, the Company's Board of Directors resolved to distribute the 2025 remuneration to employees and directors for NTD 12,190,000 and NTD 8,100,000 to directors, all of which will be paid in cash, which is to be reported in the 2026 annual general shareholders' meeting. The amount to be allocated is the same as the expense recognized in the original account.

4. The actual distribution of employees', directors' and supervisors' remuneration in 2024:

   (1) Employee remuneration distributed in cash:
   NT$24,590,000, which is not different from the NT$24,590,000 actually distributed.

   (2) Compensation of directors and supervisors:
   NT$16,380,000, which is not different from the NT$16,380,000 actually distributed.

(6) Repurchase of the Company's shares:

(1) Status of the Company's repurchase of its own shares (for completed repurchases): None.

(2) Status of the Company's repurchase of its own shares (for repurchases still in progress):

March 31, 2026

Repurchase period	5th
Purpose of purchase	Transfer of shares to employees
Type of repurchased shares	Common shares
Maximum limit on the total amount of repurchased shares	NT$4,699,569 thousand
Scheduled repurchase period	March 12, 2026 to May 10, 2026
Scheduled repurchase quantity	5,000,000 shares
Repurchase price range	NT$28.40 to NT$63.80. If the Company's share price falls below the lower limit of the price range, repurchases will continue.
Type and quantity of repurchased shares already acquired	As of March 31, 2026, 1,377,000 common shares had been repurchased.
Amount of repurchased shares already acquired	As of March 31, 2026, the amount of repurchased shares was NT$58,242 thousand.
Percentage of repurchased quantity to scheduled repurchase quantity (%)	27.54%

II. Information on the company's issuance of corporate bonds

(I) Issuance of corporate bonds

<table>
<tr><td colspan="2">Type of corporate bonds</td><td>The 4th domestic unsecured convertible bond</td></tr>
<tr><td colspan="2">Issue (transaction) date</td><td>March 6, 2020</td></tr>
<tr><td colspan="2">Par value</td><td>NT$100 thousand</td></tr>
<tr><td colspan="2">Place of issue and trading</td><td>Taipei Exchange</td></tr>
<tr><td colspan="2">Issued price</td><td>Issue price is set at 100.5% of the face value</td></tr>
<tr><td colspan="2">Total amount</td><td>NTD 500 million / Total paid-in capital of NTD 502.5 million</td></tr>
<tr><td colspan="2">Interest rate</td><td>0%</td></tr>
<tr><td colspan="2">Deadline</td><td>5 years
Maturity date: March 6, 2025</td></tr>
<tr><td colspan="2">Guaranteeing institution</td><td>Not applicable</td></tr>
<tr><td colspan="2">Trustee</td><td>Taishin International Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Underwriting Institution</td><td>KGI Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Attorney-at-Law</td><td>Not applicable</td></tr>
<tr><td colspan="2">Certified Public Accountant</td><td>Not applicable</td></tr>
<tr><td colspan="2">Repayment method</td><td>The bonds are repayable in cash at 101.2563% of face value at maturity.</td></tr>
<tr><td colspan="2">Outstanding principal</td><td>None</td></tr>
<tr><td colspan="2">Terms of redemption or early settlement</td><td>Please refer to the Rules Governing Stock Issuance and Conversion for details.</td></tr>
<tr><td colspan="2">Restrictive clauses</td><td>None</td></tr>
<tr><td colspan="2">Name of rating agency, date and result of rating</td><td>Not applicable</td></tr>
<tr><td rowspan="2">Other rights</td><td>The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the publication date of the annual report</td><td>NT$500,000 thousand</td></tr>
<tr><td>The issuance and conversion, exchange, or subscription rules</td><td>Please refer to the Rules Governing Stock Issuance and Conversion for details.</td></tr>
<tr><td colspan="2">Possible dilution of shareholding by the regulations and conditions of issuance, conversion, exchange or subscription and impact on existing shareholders' equity</td><td>The issuance period of the bonds expired on March 6, 2025, with no impact on the rights and interests of existing shareholders.</td></tr>
<tr><td colspan="2">Name of the custodian institution of the exchangeable underlying</td><td>Not applicable</td></tr>
</table>

(II) Information on Convertible Corporate Bonds:

Type of corporate bonds		The 4th domestic unsecured convertible bonds		
Item / Year		2024	As of March 6, 2025	As of March 31, 2026
Market price of convertible corporate	Highest	$175.00	$152.00	Not applicable
	Lowest	$131.50	$145.00	Not applicable
	Average	$144.96	$148.06	Not applicable
Conversion price		1/1–4/15: $45.5 4/16–9/12: $44.5 9/13-12/31: $40.5	January 1 to March 6: NT$40.5	Not applicable
Issue (transaction) date and conversion price at issuance		Issued on March 6, 2020, with a conversion price of NT$62.		
Method for performance of conversion obligations		Issuance of new shares		

Note: The convertible bonds matured on March 6, 2025, and trading was terminated on March 7, 2025.

(III) Exchangeable Corporate Bonds: None.

(IV) Issuance of Corporate Bonds Under Shelf Registration: None.

(V) Corporate Bonds with Warrants: None.

III. Information on preferred shares:

Issue (transaction) date / Item		February 24, 2020 (QST Class-A preferred shares)
Par value		NT$10
Issued price		NT$50 per share
Number of shares		Total 10,000 thousand shares
Total amount		NT$500,000,000
Rights and obligations	Distributions of dividends and bonuses	1. Dividends: The original annual interest rate was 3.8%. On the next business day following the five-year anniversary of issuance, the dividend rate shall be reset. The record date for resetting the interest rate is the two Taipei financial business days prior to the rate reset date. Based on the arithmetic average of the five-year IRS rates for "TAIFXIRS" and "COSMOS3" quoted by Reuters at 11:00 a.m. on February 17, 2025, which was 1.87625%, plus the interest rate spread at issuance of 3.07125%, the dividend rate was reset to 4.94750% effective from February 19, 2025. 2. Distribution of dividends: (1) Dividends on Class A preferred shares are payable annually in cash in one lump sum, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors. The Board of Directors is authorized to set the record date for the payment of dividends for the previous year and to submit a report to the shareholders. Dividends paid in the year of issuance and the year of recovery are calculated based on the actual number of days of issuance in that year. (2) When the Company makes a profit in the annual accounts, the Company shall pay tax and make up for the accumulated deficit, and then set aside the legal reserve and set aside or reverse the special reserve as required by law. If there is still a remainder, the Company shall pay dividends on the Class A shares in the year in which the preferred shares are distributed. (3) The Company has sole discretion on the distribution of Class A Preferred Share dividends. If the there is no earning or insufficient earning for distributing dividends of Class A Preferred Shares in the fiscal year. The Company may resolve not to distribute dividends on the preferred shares, but the preferred shareholders shall not disagree. (4) Class A Preferred Shares are non-cumulative shares. The undistributed dividends or shortfalls in dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings.

<table>
<tr><td rowspan="4"></td><td colspan="2"></td><td>3. Distribution of excess dividends:
Except for the dividend prescribed in Paragraphs 1 to 2.(1), Class A Preferred Shareholders are not entitled to participate in the distribution of cash or share dividends with regard to the common shares derived from earnings or capital reserves.</td></tr>
<tr><td colspan="2">Distribution of residual property</td><td>Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of outstanding Class A preferred shares are entitled to receive residual assets of the Company available for distribution to stockholders, before any distribution of assets is made to holders of the common shares. Class A preferred shares and other classes of preferred shares of the Company shall rank pari passu without any preference among themselves and their repayment shall be capped at their respective issue amount.</td></tr>
<tr><td colspan="2">Exercise of voting rights</td><td>Class A preferred stockholders have no voting rights and no election rights, but may be elected as directors and supervisors and have voting rights at the preferred stockholders’ meeting.</td></tr>
<tr><td colspan="2">Other</td><td>When the Company issues new shares for cash, Class A preferred stockholders have the same preemptive right to new shares as common stockholders.</td></tr>
<tr><td rowspan="3">Issued and outstanding preferred shares</td><td colspan="2">Number of shares redeemed or converted</td><td>NT$0</td></tr>
<tr><td colspan="2">Balance of shares not redeemed or converted</td><td>NT$500,000,000</td></tr>
<tr><td colspan="2">Terms and conditions for redemption or conversion</td><td>Holders of Class A Preferred Shares have no right to request redemption of such shares by the Company. However, the Company may redeem Class A Preferred Shares in whole or in part at the actual issue price after the day following the fifth anniversary of issuing. The rights and obligations of the remaining and outstanding Class A Preferred Shares as described in the preceding paragraphs will remain unchanged. Holders of the outstanding Class A Preferred Shares are entitled to receive declared dividends based on the actual days in the redemption year up to the date of redemption should the Company decide to declare dividend for the redemption year.</td></tr>
<tr><td rowspan="6">Market price per share</td><td rowspan="3">2023</td><td>Highest</td><td>45.75</td></tr>
<tr><td>Lowest</td><td>40.50</td></tr>
<tr><td>Average</td><td>43.19</td></tr>
<tr><td rowspan="3">2024</td><td>Highest</td><td>49.95</td></tr>
<tr><td>Lowest</td><td>42.20</td></tr>
<tr><td>Average</td><td>46.13</td></tr>
</table>

<table>
<tr><td rowspan="6"></td><td rowspan="3">2025</td><td>Highest</td><td>51.20</td></tr>
<tr><td>Lowest</td><td>44.60</td></tr>
<tr><td>Average</td><td>48.29</td></tr>
<tr><td rowspan="3">As of
March 31, 2026</td><td>Highest</td><td>47.15</td></tr>
<tr><td>Lowest</td><td>45.60</td></tr>
<tr><td>Average</td><td>46.01</td></tr>
<tr><td rowspan="2">Other rights</td><td colspan="2">Amount converted or subscribed as of the annual report publication date (NT$)</td><td>Class A Preferred Shares cannot be converted into common shares.</td></tr>
<tr><td colspan="2">Issuance and conversion or subscription rules</td><td>None</td></tr>
<tr><td colspan="3">The possible effect of the terms of issuance on the shareholders equity of holders of preferred shares, possible dilution of shareholding, and effect on the equity of current shareholders.</td><td>None</td></tr>
</table>

IV. Information on global depository receipts: None.

V. Information on employee share subscription warrants: None.

VI. Information on new restricted employee shares: None.

VII. Information on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of the Company’s capital allocation plans: None.

Four. Overview of Business Operations

I. A description of the business

(I) Scope of business:

1. Major lines of business:

(1) F401010 International Trade.
(2) F113050 Wholesale of Computers and Clerical Machinery Equipment.
(3) F118010 Wholesale of Computer Software.
(4) I102010 Investment Consulting.
(5) CA02030 Screw, Nut and Rivet Manufacturing.
(6) CA02080 Metal Forging.
(7) CA03010 Heat Treatment.
(8) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Main products and their weighting in sales:

The Company's core product is "automotive fasteners." Screws, nuts and other metal components are generally referred to as fasteners or fastening components. They are divided into three categories according to the presence or absence of threads and the differences between internal and external threads: internally threaded, externally threaded, and non-threaded fasteners. Fasteners are used to assemble various parts to form components, and are widely used in the automotive, electronics, machinery, construction, and repair and maintenance industries, and the automotive industry ranks first, accounting for nearly one-fourth of the total fastener market. The following table summarizes the sales value and sales percentage of the Company's and subsidiaries' main products by product attributes.

Unit: NT$ thousands

Item	2024		2025	
	Sales amount	Percentage of sales (%)	Sales amount	Percentage of sales (%)
Inner thread fasteners	2,273,205	17.30	2,156,821	18.83
External thread fasteners	10,522,931	80.11	8,987,764	78.49
Other parts and components	340,549	2.59	306,610	2.68
Total	13,136,685	100.00	11,451,195	100.00

3. Current products (services):

The Company positions itself as a professional integrated automotive fastener service provider (Full Service Provider, FSP), offering end-to-end one-stop professional supporting services to global automotive manufacturer customers. The services begin with product concept innovation and design development, proceed through processing, manufacturing, and testing verification, and extend to local just-in-time delivery, on-line assembly, as well as subsequent value-added activities such as product optimization and cost reduction. In terms of service depth, the Company covers the requirements of each stage of the product life cycle, maintains parallel communication and collaborative operations with customers' R&D, procurement, quality assurance, engineering, and logistics departments, and is deeply involved in customers' operational processes while being closely integrated with their organizational systems. In terms of product breadth, the Company integrates the expertise of its domestic and overseas self-operated factories and partner manufacturers to jointly establish the broadest manufacturing capabilities, product portfolio, and production flexibility for automotive fasteners. In terms of geographic and time span, the Company's overseas manufacturing bases, distribution warehouses, and customer service locations across multiple countries in Europe, the Americas, and Asia not only satisfy customers' local and real-time needs in different regions and time zones, but also leverage diversified multinational manufacturing and supply capabilities to optimize allocation and flexible deployment, thereby enhancing customers' supply chain resilience.

The Company's core products and services are as follows:

(1) Core products:

Vehicle assembly consists of parts forming modules, the modules forming subsystems, and then combining each system into a complete vehicle. Automobile assembly relies on more than 70 categories, hundreds of varieties, and thousands of different types of fasteners to sequentially assemble various parts, modules, and subsystems layer by layer. Due to the differing functional requirements of each component, the types, strength, materials, and processing methods of the fasteners used also vary, resulting in the highly complex nature of automotive fasteners; automotive fastener supply chains are often composed of nearly one hundred suppliers. Due to their low unit value, indispensable nature, and relatively high management costs, global automotive manufacturers have been committed to reducing the number of suppliers and seeking suppliers with broader supply capabilities to replace those that can provide only a limited range of fasteners. This policy has effectively created a narrow gateway, increasing the barriers to entry into automotive fastener supply chains.

The Company adopts a 20/80 strategy for product development, focusing on core automotive fastener product categories. In addition to dedicating self-manufactured production capacity to the development and manufacturing of core competitive products, the Company also collaborates with partner manufacturers to jointly establish a broad product portfolio. In response to industry development trends, the Company continues to develop new materials, new processes, and new products to expand the breadth of self-manufactured products, while simultaneously broadening outsourced product categories to fulfill customer needs and enhance the Company's supply position and market share. In addition, through the respective locational advantages and specialized division of labor among the Company's domestic and overseas manufacturing facilities, the Company continuously and dynamically optimizes costs, enhances production capacity adjustment flexibility, and strengthens the resilience of its overall supply chain, thereby effectively responding to various external uncertainties, including geopolitical risks.

(2) Core services:

The OEM fastener supply chain is composed of nearly one hundred suppliers. The complex structure often causes management issues for OEMs, which gives rise to the demand for value-added services. Example: During the new vehicle design and development stage, the involvement of multiple suppliers increases communication complexity and coordination difficulties, often resulting in delay risks. In addition, the global multi-plant deployment and just-in-time delivery operating model adopted by automotive manufacturers rely on coordinating numerous geographically dispersed suppliers to deliver simultaneously during daily operations, requiring contingency plans to eliminate the risk of supply disruptions. Major international events, such as pandemics, geopolitical conflicts, or wars, that disrupt supply continuity and hinder deliveries, resulting in production reductions, line shutdowns, or factory closures at automotive manufacturers, are clear examples. In addition to engaging in fastener production, the Company also focuses on the development of value-added services such as global logistics and engineering services. In addition to providing customers with innovative solutions to reduce supply chain risks, the Company also builds long-term, systematic, and multi-level customer partnerships by taking advantage of service connotations such as multiple locations in different locations, multi-function linkage, rapid response, and optimized collaborative operation, becoming part of the customers' overall operations and establishing an irreplaceable supply position.

Since its establishment, the Company has successively set up directly-operated manufacturing bases and shipping warehouses in Taiwan, China, Thailand, the United States, Germany, and Vietnam, and has also introduced the 3rd Party Logistics service model, successively adding multiple shipping locations in Mexico, Canada, Europe, and the United States to continue improving its global logistics layout. In addition to expanding overseas logistics locations and investing in hardware such as automated warehousing equipment, the Company will also introduce advanced logistics management solutions, including Vendor Managed Inventory (VMI) and Collaborative Planning, Forecasting, and Replenishment (CPFR), and independently build a logistics management platform to enhance cross-border logistics management capabilities. Based on the customer's multi-factory demand information, the Company can make use of its resource integration and logistics distribution functions to dispatch and coordinate overseas locations, so that the global supply of goods can be timely, qualified, and in the right amount, thereby satisfying the complex logistics needs of customers in a timely manner.

In addition, in recent years, the Company has actively participated in new vehicle model and new product development projects such as Co-design and Early Supplier Involvement (ESI), and participated in customer-end design and development projects at the product concept stage. The Company provides its professional fastener technologies and proposed solutions to customers to meet engineering requirements, reduce costs, and pursue product optimization. By incorporating the Company's unique advantages and expertise into product design (Design-in), the Company cultivates and accumulates its technological advantages and design capabilities, moving beyond the OEM manufacturing business model and advancing toward transformation into an Original Design Manufacturer (ODM).

4. New products (services) planned for development:

The new products (services) planned to be developed by the Company are described as follows:

(1) New products planned for development:

In response to the development trends of electrification, lightweighting, and assembly automation in the automotive industry, the Company has included the following products and related technologies in the development plan:

① Automotive electrification-related fasteners: including fasteners and technologies used in electric vehicle battery packs, motors, and power transmission systems; covering high-conductivity fasteners, applications of copper and aluminum alloy materials, chipless rolled screws, and ultra-long screws.

② Automotive lightweighting-related fasteners: including development of aluminum and magnesium alloys; optimization of aluminum alloy fastener manufacturing processes; chipless rolled light-metal screws; ultra-high-strength (Class 14.8, 14.9, etc.) carbon-steel screws; and special fasteners and related technologies for carbon fiber reinforced polymer (CFRP) applications.

③ Fasteners related to assembly efficiency enhancement: Through analytical methodologies such as Design for Manufacturing and Assembly (DFMA), the Company innovates and optimizes fastener designs, reduces assembly procedures, and improves assembly efficiency. Core technologies include optimization of fastener recesses, high-frequency surface hardening, chipless thread rolling bolts, self-aligning screws, multiple anti-loosening fasteners, composite fasteners, and the development of related new process technologies.

(2) New services planned for development:

The Company will continue to expand and improve the capacity of global operations and collaborative design services. The services that have been included in the development are as follows;

① New global logistics services: Includes updating the supply chain logistics management platform version, enhancing electronic data interchange (EDI) automation capabilities with customers, expanding European shipping warehouses, implementing automated warehousing systems at overseas locations, and increasing third-party vendors to continuously improve supply chain capabilities.

② New design engineering services: Includes training engineers to expand the engineering services team, hiring additional overseas-based engineering service personnel to strengthen local real-time service capabilities and deepen customer collaboration, and introducing advanced engineering design software to shorten prototype development timelines.

③ Additional projects for the newly established primary manufacturing plant in Vietnam: To effectively respond to geopolitical risks, enhance supply chain resilience, and increase flexibility in manufacturing base selection, the Company established a new integrated primary manufacturing plant in Vietnam. The facility encompasses full-process production for various product groups, including screws, nuts, and customized special parts, enabling the complete value-added transformation of raw materials into finished products. The Vietnam plant provides automotive manufacturer customers with greater flexibility in selection beyond the Company's existing manufacturing bases, thereby enhancing supply chain resilience.

(II) An overview of the industry:

1. Current status and development of the industry:

The Company primarily engages in automotive fasteners and is part of the automotive supporting satellite industry. The prosperity and decline of automotive fasteners are closely linked to and inseparable from the automotive industry. The following is a summary of the current status and development of the automotive fastener industry.

(1) Overview of the global industry:

For more than 100 years, the automobile industry originated in Germany, flourished in Europe and the United States, followed by Japan and South Korea, and then flourished in China in this century. Based on factors such as geography and industry linkages, each has formed its own supply chain system. Due to the different operating strategies, the members of the supply chain are different. The Japanese and Korean supply chains are closed systems characterized by close upstream and downstream relationships; even new suppliers from the same country find it extremely difficult to enter. U.S. auto OEMs are more open, and their supply chain is more globalized, forming an international OEM system; Taiwanese manufacturers have entered the supply chain through this path. European departments have adopted a more moderate approach, which is more rigorous than the United States, but more open than Japan and South Korea. In the early stage of China's automotive industry development, a joint venture strategy was primarily adopted. Foreign automakers introduced their own fastener supply systems, resulting in a hybrid ecosystem of multiple supply chains; Taiwanese companies also gained development opportunities due to geographical proximity. In a nutshell, the global automotive fastener industry is dominated by competition among six major groups: Europe, the United States, Japan, South Korea, China, and Taiwan. It involves not only competition among individual companies, but also long-term rivalry among these industrial groups.

(2) Development trend of the automobile industry:

The auto industry is undergoing a once-in-a-century major change. McKinsey & Company's research report pointed out: Electrification, Diverse Mobility, Autonomous Driving and Connectivity, four major disruptive technological changes are impacting the automotive industry and driving shifts in the industry landscape. Internal combustion engine vehicles will gradually be replaced by electric vehicles and new energy vehicles. Autonomous driving, smart networking and ride-sharing vehicles will become mainstream. Traditional car brands and business models will encounter major challenges from new entrepreneurs and technology giants. In recent years, the rise of emerging automotive manufacturers in China and the expansion of high-quality, cost-effective new energy vehicles into overseas markets, threatening the market share of traditional automotive manufacturers in Europe, the United States, Japan, and Korea, have provided clear evidence of this trend.

This change means to the automotive fastener industry that new-generation vehicles represented by electric vehicles and related automotive electronics in emerging markets will grow rapidly and become the mainstream in the future. The industry focus will shift from traditional automotive brands toward emerging sectors such as startup manufacturers and automotive electronics. Demand for fasteners traditionally used in internal combustion engines and transmission systems will gradually decline. Potential competitors, including electronic screw manufacturers and startup companies, will enter the automotive fastener market across industries. New types of fasteners, new material applications, and new processes related to lightweighting, electrification, electronic integration, and rapid assembly will become mainstream directions for R&D.

This trend implies the cross-industry integration of the automotive and electronics industries. Electronic fastener manufacturers and automotive fastener suppliers, which previously operated in clearly distinct markets without overlap, are now entering into cross-industry competition. However, entry into automotive manufacturer supply chains first requires obtaining IATF certification and automotive manufacturer approvals, creating relatively high barriers for electronic fastener manufacturers. In the emerging field of automotive electronics, major Taiwanese electronics companies already possess global competitiveness and advantageous market positions, and have all entered automotive manufacturer supply chains. The Company regards this transformation as a significant opportunity for upgrading and transformation and is committed to aligning with this development trend in order to capture this growth opportunity.

(3) External political and economic situation:

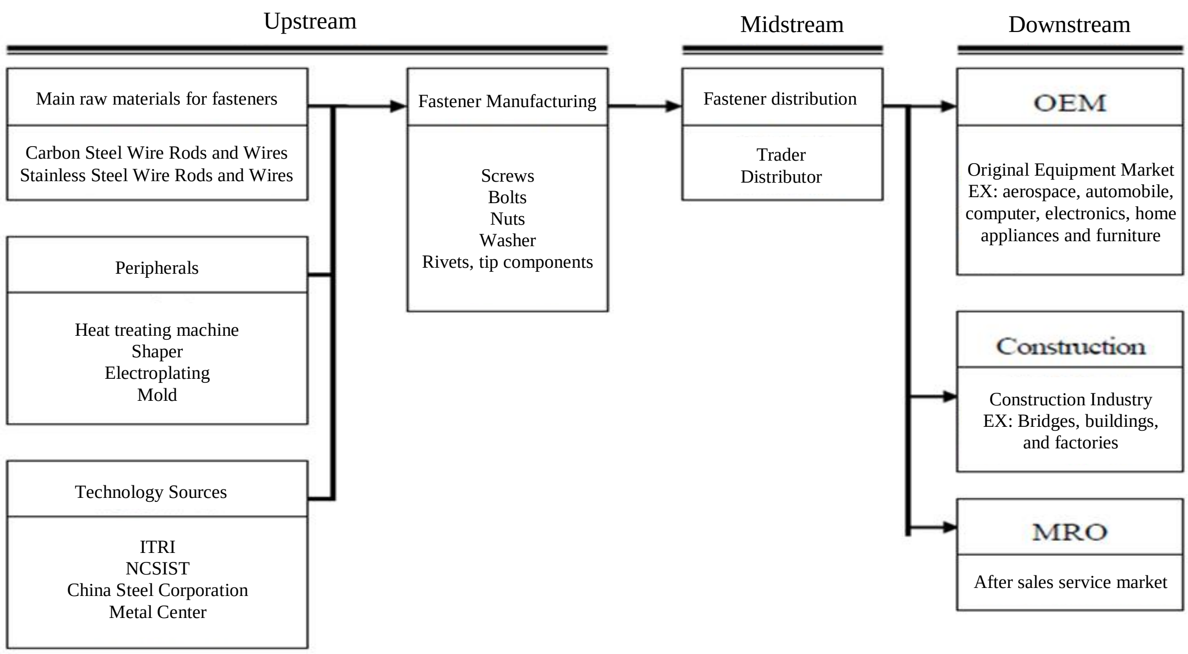
In recent years, the international political and economic trends have shown a multi-polarization trend due to the competition between the United States and China. Between the two poles of the United States and China, the EU, ASEAN, Russia, India, and other regional blocs are each forming alliances and pursuing their own interests and spheres of influence. In brief, since the end of the Cold War, the world order and rules centered on a unipolar system led by the United States are no longer applicable, while a new multipolar world order has yet to be established. The global political and economic landscape is therefore characterized by high volatility and instability, with numerous uncertainties. Enterprises in various countries must abandon traditional thinking and adopt a new multipolar regional perspective, enhance awareness of geopolitical risks, pursue diversified deployment, and increase flexibility in decision-making options and resource allocation, thereby reducing operational risks, strengthening corporate resilience, and expanding opportunities for survival and development.

Against the backdrop of these international political and economic trends, the fastener industry faces intertwined positive and negative factors, along with significantly increased uncertainties. Small and medium-sized enterprises (SMEs) will suffer the most. The fastener industry continues to develop in M-shaped; niche small manufacturers with specialized capabilities and large players with cross-border deployment will continue to develop, while medium-sized players in the middle have limited room for growth.

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

After years of development, the fastener industry in Taiwan has formed a globally competitive industrial cluster, where the upstream, midstream and downstream are complete and complementary. China Steel supplies upstream raw materials with carbon steel wire rods and other raw materials. Raw materials are converted into finished wires through wire drawing, wire dipping, and spheroidizing processes, which are supplied to mid-stream screw and nut fastener manufacturers. After fastener molding, threading, secondary processing, assembly, etc., various surface treatments such as heat treatment, electroplating, and painting are applied, and the finished products are made for sale. In addition, the peripheral industries such as related machinery, equipment and molds are also an indispensable key link to support the fastener industry. Overall, the fastener industry has a large variety of products and has limited capacity of a single manufacturer. The upstream, midstream and downstream are closely interrelated and highly dependent. (See Fig. 2)

Figure 2: Linkage between upstream, midstream and downstream industries



3. Development trends and competition for the Company's products:

(1) Development trends:

Over the past century of continuous innovation, design, and optimization, the development of automotive fasteners has matured. Proven and reliable fasteners are widely applied across various vehicle models and types as standardized common components; only when existing designs are unable to meet requirements is the development of new fasteners initiated. At a time when automotive concepts and manufacturing technologies are undergoing significant transformation, future concepts such as electric vehicles, autonomous vehicles, shared mobility vehicles, and smart connectivity have driven the development of fasteners toward four major trends: lightweighting, electrification, electronic integration, and automation.

① Lightweighting: Driven by environmental and economic demands such as energy conservation and carbon reduction, both traditional internal combustion engine vehicles and emerging vehicle types such as electric vehicles are committed to lightweighting. The main approach is to introduce light metals such as aluminum and magnesium, engineering plastics and new materials such as carbon fiber to replace steel and reduce vehicle weight. Given this trend, new types of fasteners that reduce weight and weight, such as our aluminum alloy bolts, ultra-high-strength carbon steel fasteners, and composite fasteners, have become one of the product development directions.

② Electrification: Electric vehicles and hybrid vehicles both use electric motors to replace or assist internal combustion engines. The adoption of electric motors requires supporting electrification systems for power storage, transmission, and distribution, making fasteners compatible with electrification solutions a key development trend. The demand for new fasteners made of highly conductive materials such as copper and aluminum alloys is on the rise, as they can improve power transmission efficiency and reduce resistance heat loss.

③ Digitalization: Autonomous driving and smart connectivity are major trends in the development of automobiles, with automotive digitalization being the essential core.
New vehicle models will be extensively equipped with various electronic sensing and control systems, communication and connectivity devices, IoT applications, and audio/video equipment. Electronic screws and other fasteners traditionally dominated by the electronics industry will, in line with this trend, enter the automotive industry and experience substantial growth in demand. Automotive fasteners and electronic fasteners have begun the cross-industry integration and competition.

④ Automation: The automotive market is developing toward emerging trends such as diversification, segmentation, customization, and online made-to-order production. In the future, the number of vehicle models and types will continue to increase to satisfy the needs of individual niche markets, while the assembly volume of single vehicle models will decline, making high-mix, low-volume production the mainstream. In response to this trend, the demand for new fasteners that can accommodate multiple batches of small quantities, reduce the assembly process, and automate rapid assembly is bound to continue to rise.

(2) Competition:

The competition in the automotive and related industries is impacted by two major trends. In the industry, internal combustion engine vehicles will be replaced. New energy vehicles such as electric vehicles, combining the concepts of self-driving, smart networking and ridesharing will become the mainstream. Traditional car brands will encounter major challenges from new entrepreneurs and technology giants. The global political and economic atmosphere outside the industry is showing the trend of long-term competition between China and the United States, and the multi-polar development of global regions. Under the influence of these two trends, the competition between automotive fastener products and manufacturers is bound to change accordingly. The most important aspects are described below based on the three aspects: product technology, market shifts and supply chain restructuring.

① Product technology: The development of emerging vehicles such as electric cars will change the competitive dynamics of the industry. The technology leadership of the traditional carmakers is no longer there, and the technology gap is narrowing. All of them are competing in emerging markets from a similar starting point. Taking internal combustion engine fasteners, which possess the highest technical content among traditional automotive fasteners, as an example: the engine is the heart of a conventional vehicle, operating at high speeds while generating high temperatures and vibrations. Accordingly, the related fasteners must not only possess high strength, but also provide vibration resistance, anti-loosening performance, high-temperature resistance, and fatigue resistance under high-speed operation. German automotive manufacturers have long led global internal combustion engine technology, and internal combustion engine fastener technology has likewise been dominated by German fastener suppliers, which have maintained a long-standing leading advantage. However, under the emerging development trend of electric vehicles, the internal combustion engine and related fasteners are on the decline. The original advantages of German fastener manufacturers will lose their battlefield and commercial value.

② Market shifts: Developed countries such as Europe, the United States, and Japan are experiencing market saturation due to factors such as demographic structure, technological innovation, and economic growth. Future growth will primarily occur in emerging countries, with Asia leading the way. Based on factors such as geographical location, cost, ASEAN Plus 3 tariff preference, and history and culture, Asian car series from Japan, South Korea, and China will have comparative advantages in competitiveness and gain relatively higher growth opportunities. In particular, China has actively supported the development of electric vehicles and new energy vehicles while continuously expanding into ASEAN markets. Leveraging its growing political and economic influence as well as production scale advantages, Chinese automotive manufacturers and their component supply chain suppliers are expected to benefit, especially in the segments of small and medium-sized passenger and commercial vehicles.

③ Restructuring of the supply chain: Competition in the global automotive market is fierce. Traditional automotive production capacity was already oversupplied, and the entry of emerging players such as electric vehicle manufacturers has further intensified the competition, driving changes in the industry landscape and the restructuring of supply chains. COVID-19 is raging around the world, forcing traditional carmakers to cut back their R&D expenditures to support operations, and further delay the catch-up of new-generation cars and related technologies. The upstream and downstream of the supply chain need to work seamlessly together. Each car series and leading OEMs have their own strategic suppliers to form entry barriers and eliminate competition. Emerging players such as electric vehicle manufacturers have entered the competition, either building supply chains from the ground up to manufacture and assemble vehicles in-house, or choosing outsourcing models such as OEM production, all of which will lead to the restructuring of automakers' supply chains. The successful candidates will have significant opportunities to participate in the rapid development of the new generation of automobiles.

(III) An overview of the company’s technologies and its research and development work:

1. Research and development expenditures in the Group during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Unit: NT$ thousands

Item	2025	As of March 31, 2026
R&D expense	119,442	27,710
Operating revenue, net	11,451,195	2,845,863
%	1.04%	0.97%

2. The successfully developed technology or product in the last year

The Company closely collaborates with customers in the research and development of the next generation of new vehicle models. Aside from using some existing designs, the new products have successfully passed tests on actual vehicles and have been launched into mass production according to the customers' schedules. The increasing sales of new cars will not only help boost sales, but will further consolidate the Company's leading edge in the research and development of electric vehicle fasteners.

(IV) The company’s long- and short-term business development plans:

The Company adheres to the philosophy of sustainable operation and, based on the strategic positioning of “complementarity with the industry and differentiated development,” is committed to developing heterogeneous advantages in response to gaps in key industry resources, establishing unique core capabilities to overcome high-end market entry barriers, creating an irreplaceable competitive position, and adopting “A Leading Supplier of Fasteners for New Energy Vehicles” as its corporate vision. The Company's long-term and short-term business development plans are described below.

1. Short-term plans:

In recent years, the global situation has been fraught with upheaval: the pandemic, supply chain disruptions, geopolitical conflicts, the rise of right-wing conservative forces in Europe and the United States, and dramatic political upheavals have followed one another. The global political and economic landscape is evolving toward a multipolar structure, and a long-term U.S.–China competition framework has already taken shape. The prevailing global landscape has shifted from one characterized by "stability and established rules" to one marked by "change and uncertainty." The Company views this transformation as an opportunity for breakthrough growth, adopting flexible decision-making to respond to changes, rapidly capturing business opportunities through swift responses, and continuously pursuing diversified and multi-location global deployment to disperse regional risks, enhance cross-regional resource allocation capabilities, and improve local responsiveness in each region.

The Company’s short-term development plan primarily focuses on rapidly increasing the production and shipment capacity of the new Vietnam plant. In addition to responding to tariff changes and geopolitical demands, the plant is also well positioned to fill supply chain restructuring gaps among European and American automotive manufacturers. Key management priorities include building human resources, completing equipment integration, and achieving smooth phased production commencement, while also focusing on capturing market opportunities, rapidly responding to customer needs, flexibly allocating resources, maintaining stable raw material supply, and properly responding to changes in international logistics, thereby seizing growth opportunities arising from the changing environment.

2. Long-term plans:

Leveraging the Company's advantages in industry expertise, customer relationships, technical depth, product breadth, global manufacturing and service networks, as well as operational scale, the Company's long-term growth momentum, in addition to organic market growth, primarily stems from its advantageous position as a strategic supplier to leading electric vehicle brands. The Company aims to capitalize on the development trends of next-generation vehicles such as electric vehicles and new energy vehicles by continuously deepening advanced technologies, expanding self-manufacturing capacity, broadening market presence, and maintaining and enlarging its first-mover advantage through highly resilient and flexible global supply capabilities. The Company's long-term development plans are as follows:

(1) Market customers:

Actively penetrate the supply chains of cutting-edge automakers in various new energy vehicle segments represented by electric vehicles, including automakers and their first- and second-tier suppliers, and strive to become a global leader in the supply of fasteners for new energy vehicles.

① The market of electric vehicle fasteners:

ⓐ Closely aligning with leading brands' development: Building on the long-established close strategic partnerships with leading electric vehicle manufacturers, the Company will continue to expand its technology R&D, equipment production capacity, and global supply service capabilities. The Company will closely align with the growing demands of strategic customers, developing comprehensively across Europe, the U.S., and Asia.

ⓑ Actively expanding new energy vehicle customer base: Building on the existing advantages in electric vehicle fastener technology, products, processes, and production capacity, the Company will continue to actively develop new customer groups, including emerging electric vehicle and new energy vehicle manufacturers, as well as first-tier suppliers for battery modules, connectivity, and electronic control systems, as well as Tier 1 suppliers of battery modules, connectivity systems, and electronic control systems, thereby continuously strengthening its current leadership position and widening the gap with competitors.

ⓒ Expanding production lines to include electronic fasteners: Traditional automotive and electronics industries have developed independently, with clearly defined fields. The introduction of a large number of electronic control technologies and devices such as self-driving and networking to electric vehicles has opened the door for the cross-disciplinary integration of automobiles and electronic fasteners. The company has the production line expanded to include micro-electronic screws below M3 so to enter the emerging field of automotive electronic fasteners.

② Traditional automotive fastener market:
The Company has diligently cultivated the automotive fastener market for 40 years and has established a solid competitive advantage and customer base. In addition to investing resources in line with the development trend of electric vehicles, the Company will continue to consolidate the existing advantages of traditional automotive fasteners, promote new technologies, and develop new products in order to ensure market share, and continue to enhance the Company's supply share and industry position during the restructuring, consolidation, and replacement of automakers' supply chains.

(2) Logistics service aspect: Continue to improve cross-border logistics management capabilities and software and hardware performance.

① Logistics level management:
The company has independently developed and construct an international logistics management platform for years, which can input dynamic client demand information, feedback client consumption, and integrate and dispatch global multi-warehouse inventory information through EDI and other electronic information exchange mechanism; also, link to the company's production schedule in order to meet the assembly logistics needs of car manufacturers in real time dynamically. The company continues to refine and optimize technologies such as dynamic inventory replenishment, production and sales inventory allocation, and logistics level management. The company has the customer warehouses, third-party logistics, and the company's overseas warehouses and logistics centers consolidated into a dynamic logistics network, moving towards digitalization, automation, real-time, etc., and continued to improve multinational supply chain's logistics management capabilities.

② Expansion of automatic warehousing applications:
In addition to pursuing the expansion of IT technology applications and improving logistics management capabilities, the company is also actively expanding automatic warehousing applications in order to further enhance the overall supporting efficiency of production, sales, storage, and transportation hardware systems, reduce costs, and advance toward intelligent warehousing and logistics applications. Automated warehousing software and hardware systems have currently been completed at three locations, namely the Taiwan headquarters, the Xiamen plant in China, and the Suzhou plant, in order to meet the growth of respective logistics demands. The company will continue to expand the automation equipment and systems in the future based on the business development in order to complete the company's multinational supply chain management capabilities and respond to customer growth needs.

(3) Research and development aspect: Expand new product development and engineering technology services.
The Company closely collaborates with customers in the research and development of the next generation of new vehicle models. Aside from using some existing designs, the new products have successfully passed tests on actual vehicles and have been launched into mass production according to the customers' schedules. The increasing sales of new cars will not only help boost sales, but will further consolidate the Company's leading edge in the research and development of electric vehicle fasteners.

II. An analysis of the market as well as the production and marketing situation, including:

(I) Market analysis:

1. Analysis of the geographic areas where the main products (services) of the company are provided (supplied):

The weight in domestic and foreign sales of the Company and its subsidiaries remained stable in 2025, with non-Taiwanese sales accounting for 98.19% and 97.92% of the total sales in 2025 and 2024, respectively, showing very little change. In terms of each respective sales region, the sales ratio in Asia accounted for the highest, Europe is the second, and America is the third. Overall, there are no significant changes in sales regions. The sales regions for major products are listed below.

Unit: NT$ thousands

Geographic areas	2024		2025	
	Net sales	Percentage of sales (%)	Net sales	Percentage of sales (%)
Domestic	273,274	2.08	207,660	1.81%
Asia	6,987,637	53.19	6,037,596	52.73%
Europe	3,171,988	24.15	2,910,533	25.42%
America	2,554,927	19.45	2,132,342	18.62%
Other	148,859	1.13	163,064	1.42%
Total	13,136,685	100.00	11,451,195	100.00%

2. Market share:

The fastener business in Taiwan is mainly for export. However, QST INTERNATIONAL CORP.'s subsidiaries in China and Germany are mostly for local sales. Therefore, the export market share is calculated only by the ratio of export amount of QST INTERNATIONAL CORP. to the total export amount of fastener business in Taiwan. The Company's export market share for the past two years was 2.8% and 3.53%, respectively.

QST export market share table Unit: USD million

Company name	QST INTERNATIONAL CORP.	
	2024	2025
Export Amount of QST INTERNATIONAL CORP. (A)	154.21	117.78
Total export amount for fastener industry in Taiwan (B)	4,373.89	4,200.76
Export market share (A) / (B)	3.53 %	2.80 %

Source: Custom Administration, Ministry of Finance and QST INTERNATIONAL CORP.

3. Demand and supply conditions for the market in the future, and the market's growth potential:

(1) Future changes in the demand:
The company's main business is automotive fasteners; therefore, the development trend of the automotive industry is closely related to the future of the company and is inseparable. According to estimates from research organizations such as McKinsey and IHS Markit, the global market share of electric vehicles is expected to exceed 50% by 2031, reaching 54%, while traditional internal combustion engine vehicles will account for only 46%, becoming the minority. The global automobile industry's development is moving towards electric vehicles, and the company's future demand is also shifting towards electric vehicle fasteners. The description is with a focus on three aspects, which are the changes in customer segments, product development trends, and technology research and development directions as follows:

① Shifts in customer segments:
Emerging markets such as new-generation automobiles represented by electric vehicles and related automotive electronics will grow rapidly and become mainstream in the future. The core customers will shift from traditional automobile brands to emerging sectors such as new entrepreneurs, technology giants, and automotive electronics. It indicates that there will be a major change to the traditional leading brands in the next ten years. Traditional automakers that fail to successfully launch new vehicle models will be retired or merged, and will be replaced by emerging electric vehicle brands. The fastener manufacturers that fail to grasp such development trend will also become stagnate or decline. The global automotive fastener industry will then be reshuffled.

② Product development trends:
The demand for traditional internal combustion engine and transmission system fasteners will decline while the demand for automotive electronic fasteners used in battery modules, networking devices, and electronic control systems will rise rapidly; therefore, new fasteners with the features of lightweighting, miniaturization, high conductivity, adaptable to automated production lines, and multiple material composite assembly will become mainstream in the future. It indicates that the development of fasteners will become diversified in the future; raw materials will be changed from steel to light metals such as aluminum and magnesium, highly conductive materials such as copper and aluminum, composite materials such as engineering plastics and carbon fiber, etc. New fasteners that can adapt to automatic assembly and multiple materials composite assembly will thrive.

③ Technological R&D direction:
Under the trend of lightweight, high conductivity, rapid assembly, and the introduction of new materials, automotive fasteners related new materials and emerging process research and development, new fastener collaborative development, processing technology and equipment introduction, and automated mass production will become the R&D mainstream in the future. Fastener manufacturers must invest funds in R&D, engineering personnel, and related technical support adequately in order to seize this development trend and growth opportunity.

(2) Future changes in supply and trends:

Demand drives supply. Supply is linked to the changes in demand. The traditional automotive fasteners are mainly supplied by series of manufacturers including Europe, the United States, Japan, China, South Korea, and Taiwan. Advanced products are mainly supplied by manufacturers in Europe, the United States, Japan, and other countries. However, due to the development trend of electric vehicles, the demand for advanced fasteners such as internal combustion engines and transmission systems will decline, and the fastener manufacturers in Europe, the United States, Japan will gradually lose their advantages in traditional technology. The United States and China hold the leading position in the development of electric vehicles. The development of automotive fastener supply is with the advantage of entering the supply chain of leading electric vehicle brands in the United States and China with a rapid development expected in the future. Overall, the supply of global fasteners, including automotive fasteners, is rising in the east and declining in the west. The disadvantages of mature and saturated markets, low demand growth, and high manufacturing costs suffered by the developed countries have caused changes in supply and strived to reduce cost with imports. Japan, China, South Korea, and Taiwan are with the competitive advantages and growth opportunities due to the factors of market geography, costs, regional tariff preferences, and history and culture.

4. Competitive niches:

The company does not rely on one single competitive niche, instead, the company’s competitive advantages based on the industrial knowledge, customer base, brand image, process technology, production capacity, operation and management capabilities, and global deployment with overseas branches setup that have been accumulated and structured over more than 30 years. The company's operating entities are located in the Asia-Pacific region where the global automobile industry grows the most with the regional advantages grasped. The company has successfully entered the supply chain of leading electric vehicle brands and become a strategic supplier in the recent years. The company is one step ahead to grasp the development trends and growth opportunities of electric vehicles. The company's competitive niche in terms of development opportunities, location advantages, technology leadership, and transformation and upgrading are described as follows:

(1) Development opportunities: The company is a strategic supplier of the leading brands of electric vehicles in the world. The company has entered the field of electric vehicle fasteners first with the advantage of early bird obtained and relevant leading technologies developed actively. In prospect, in addition to complying with the rapid development trend of electric vehicles and obtaining growth momentum, the pioneering investment in technology research and development and profound market penetration achieved can also help secure the existing leading position. The development of electric vehicles is the top competitive niche of the company.

(2) Location advantage: The automobile sales in Asia-Pacific region rank first worldwide with the highest growth potential expected in the future. Given the size of the Asia-Pacific market, future growth and development potential, as well as the presence of the Company's operating headquarters and production and sales entities in Taiwan, it is convenient to extend the existing competitive advantages accumulated over the years of long-term deployment and continuous cultivation, and to be close to the market to grasp business opportunities quickly, production, sales, Due to the convenient location of storage and transportation, the Company will continue to invest in Asia Pacific and continue to expand investment to deepen the location advantage.

(3) Technology leadership: In recent years, the Company has actively participated in the research and development of electric vehicle fastener pilot technology. In addition to taking the lead in the fields of battery modules, networking and electronic control devices, we will further work with customers to develop new assembly innovations for electric vehicles. In addition to expanding the application of the Company's existing advantageous technologies, it promotes revenue growth, and expands the scope of the Company's process technology and the leading gap. Technology leadership in the field of electric vehicle fasteners is an important competitive niche for the Company's future growth.

(4) Transformation and upgrading: The Company’s original business model was mainly to produce automotive fasteners, which are exported to global automotive manufacturers through traditional intermediaries. After years of development, in addition to becoming the number one exporter of automotive fasteners in Taiwan and even the Asia Pacific region, it has also penetrated into the leading supply chain of automobile manufacturers, with direct sales and supplies, successfully getting rid of the traditional framework and transforming into an ODM business model. Combining the scale of operation, leading technology, location advantages and growth opportunities, the Company's successful transformation has built an industry position that is hard to copy.

5. Positive and negative factors for future development, and the company’s response to such factors:

(1) Positive factors:

① The target market is vast and continuously growing:

With the vision of "the leader in the supply of electric vehicle fasteners", the Company actively focuses on emerging growth opportunities for electric vehicles, continues to invest in related emerging technologies, product research and development, and expands production lines. According to the forecast of world-renowned research institutions, the global market share of electric vehicles will be more than 50% by 2031; compared with the current market share of only about 7%, the market will expand more than seven times in the next few years, with the annual growth rate reaching double-digit. . Once the global market share of electric vehicles exceeds 50%, it will accelerate the end of traditional combustion engine vehicles. There is no suspense in the Company's target market that it will continue to grow.

② The brand value and international recognition are increasing by the day:

In recent years, the Company has entered the global supply chains of automakers and has further become a strategic supplier to leading electric vehicle brands. In addition to driving the Company’s internal transformation, expanding R&D investment, and enhancing its operational, management, and production capabilities, the Company’s external brand value and international visibility have also continued to grow. Under the policy of repositioning and accelerating transformation, the Company will gradually transform from an “automotive fastener supplier” into an “electric vehicle fastener design manufacturer” and a “new energy vehicle fastener innovator,” thereby building favorable conditions for sustainable long-term development.

③ Unique supply chain management capabilities:

In addition to the R&D, production and supply of self-made products; the Company closely cooperates with customers' new model and new product R&D and actively participates in collaborative design and product optimization projects and other engineering services; the Company cooperates with external third-party vendors to match supply and demand to expand and complete the supply capacity; continue to respond to customer needs, continue to expand overseas warehousing and third-party logistics to form a local real-time supply network; properly manage the complete operating process from demand forecasting, order receiving, delivery, and payment collection for global auto OEM customers. These are all part of the Company's daily physical operations and supply chain management. Combining a professional team, a self-developed cross-border logistics management platform, and years of continuous process optimization, the Company can meet the needs of OEM customers in a timely manner and build a unique supply chain management capability.

(2) Negative factors:

① The global political and economic landscape is shifting toward multipolarity, and numerous uncertainties remain before a new balance is achieved:

The international political and economic situation is developing from unipolar to multipolar, and the original operation model and system rules are facing challenges under the multi-party competition. Before the new multi-polarity balance is achieved, the uncertainties and variables in corporate operations increase, which is disadvantageous to the formulation of medium- and long-term policies, and increases the difficulty of resource allocation and the cost of backup plans.

② Energy conservation and carbon reduction have become global concerns, which are expected to increase corporate operating costs:

The rise of environmental awareness, reduction of oil supply, air pollution, global warming, climate change and other issues have given birth to the issue of energy conservation and carbon reduction. Governments around the world have successively set carbon reduction targets, monitored carbon emissions, and introduced corresponding measures such as carbon tax and carbon rights. This will inevitably drive enterprises to take inventory of carbon emissions and launch energy conservation and carbon reduction measures, which will push up corporate operating costs.

③ Potential technological innovations and breakthroughs may have a significant impact on the development of electric vehicles and could constitute adverse factors:

Battery performance and cost are the key factors for the development of electric vehicles. Breakthroughs in energy storage technology will result in disruptive innovations, which will have a significant impact on the development of electric vehicles and new energy vehicles; potential technological innovations and breakthroughs will replace existing technologies, or drive industry sectors and customers to change, and may present unfavorable factors.

④ Fasteners are classified under traditional industries, making it difficult to attract top talent:

The Company focuses on automotive fasteners. Although it is committed to transformation and upgrade, physique optimization, and follows the industry trend towards the development of electric vehicles, it is still a traditional industry in nature. In the current human resources market, we must face the crowding out effect caused by the high-tech industry, and we must expend more efforts in acquiring and nurturing excellent talents.

(3) Countermeasures:

① The global political and economic landscape is shifting toward multipolarity, and numerous uncertainties remain before a new balance is achieved:

Under the multi-polar competition of China, the United States, Europe, Russia, and India, business operations must carefully weigh the variables and future trends of government policies, tariffs, public sentiment, industry development, supply chain restructuring, etc. and avoid involvement in potential multi-polar disputes, in order to reduce related risks and unfavorable factors.

② Energy conservation and carbon reduction have become global concerns, which are expected to increase corporate operating costs:

Energy conservation and carbon reduction has become an issue that enterprises cannot afford to ignore. Enterprises are required to conduct carbon emission inventory for their internal and external manufacturing processes in accordance with international laws and industry standards, formulate energy conservation and carbon reduction plans for deficiencies to be rectified, and implement supporting measures as scheduled. Although resources are required, the best practices and benchmarking solutions in the industry can be used to control related costs.

③ Potential technological innovations and breakthroughs may have a significant impact on the development of electric vehicles and could constitute adverse factors:

In addition to closely observing the progress and development trends of related technology breakthroughs and potential alternative solutions, the Company adopts a diversified strategy for internal technology research and development and customer development, allocates resources appropriately to achieve dynamic balance, and avoids excessive investment in a single technology or customer group the Company's systemic risk may be reduced.

④ Fasteners are classified under traditional industries, making it difficult to attract top talent:

In addition to continuing to promote employee training, ability inventory, professional division of labor, and job segmentation, and other corresponding measures internally, and to upgrade the functions of employees year by year, the Company is also committed to operating automation, labor-saving and fool-proof equipment, Improvement of manufacturing process and operation procedure to reduce manpower. In addition, the Company also promotes programs such as educational cooperation with external vocational schools, and strives to recruit new talents to reduce the difficulty of talent acquisition.

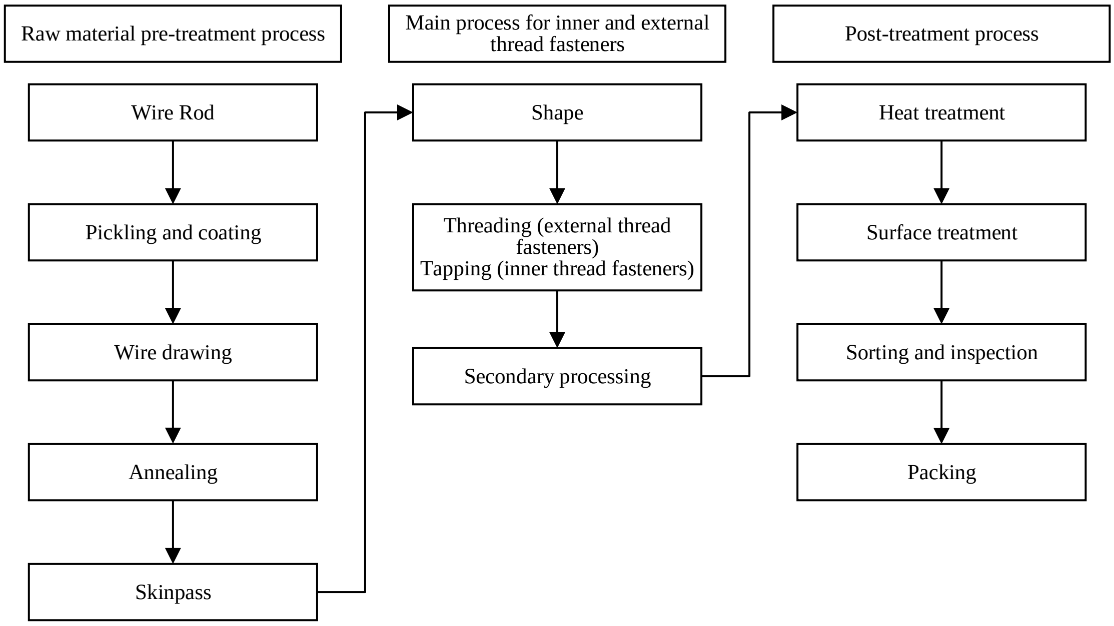
(II) Usage and manufacturing processes for the company's main products:

1. Usage for the company's main products:

In response to market demand, the Company and its subsidiaries have integrated the manufacturing capabilities of elite manufacturers within and outside the industry to provide a wide range of products, including internal and external fasteners and industrial Class C components. These products are used in various industries. Of which, fasteners and components for the automotive industry accounted for approximately 80% of the total revenue and were the core products of the Company and its subsidiaries. For example:

Product Category	Item	Applications and Functions
External thread fasteners	Torx screws	They are widely used in various industries. The specially designed drive cavity can reduce the wear and tear of assembly tools, improve the assembly efficiency and reduce the cost.
	Taptite® screws	They are mainly used in the automotive industry. The patented thread rolling function can eliminate the threading process of the corresponding joint and effectively improve the bond strength.
	Matpoint screws	They are mainly used in the automotive industry. The patented auto guiding function can prevent assembly tilt, reduce failure rate, improve assembly efficiency and reduce cost.
Inner thread fasteners	Spring washer nut	Mainly used in the automotive industry. The combination of spring washer and nut in one can not only prevent loosening, but also effectively save the assembly process and reduce the cost.
	Prevailing torque nuts	The special design of prevailing torque function can be used in various industries to achieve the demand of anti-loosening and anti-vibration at a lower cost.
	Welding nuts	Mainly used in the automotive industry. It is widely used in sheet metal structure, which not only provides high strength bonding function, but also is suitable for automatic assembly and feeding.
Other	Customized single function parts	Special single function parts (not internal and external fasteners) manufactured according to customer specifications and blueprints, with applications and functions to meet original engineering design requirements.

2. Production process:



(III) Supply situation for the company's major raw materials:

The main raw materials of the Company and its subsidiaries are general carbon steel wires, which are easily available in the market. The Company and its subsidiaries have been cooperating with the raw material suppliers for many years and have good relationship with them, so the delivery time, service and quality of supply are stable.

Main raw materials	Major supplier	Supply status
Wire Rod	BOLTUN CORPORATION	Good

(IV) A list of any suppliers and clients accounting for 10% or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years:

1. Information on Major Suppliers for the Most Recent 2 Years:

There was no significant change in the suppliers from which the Company and its subsidiaries purchased 10% or more of their products in the last two years.

Unit: NT$ thousands

	2024				2025			
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	BOLTUN CORPORATION	2,513,740	41.89	Related party	BOLTUN CORPORATION	1,867,335	36.89	Related party
	Other	3,486,800	58.11	None	Other	3,194,804	63.11	None
	Net purchase	6,000,540	100.00	—	Net purchase	5,062,139	100.00	-

2. Information on Major Customers for the Most Recent 2 Fiscal Years:

There was no significant change in the suppliers from which the Company and its subsidiaries sold 10% or more of their products in the last two years.

Unit: NT$ thousands

	2024				2025			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
	A Company	1,391,238	10.59	None	—	—	—	—
	Other	11,745,447	89.41	None	Other	11,451,195	100.00	None
	Net sales	13,136,685	100.00	-	Net sales	11,451,195	100.00	-

III. Employee Statistics for the Most Recent 2 Fiscal Years up to the Annual Report Publication Date

Year		2024	2025	As of March 31, 2026
Number of employees	Direct employees	1,344	1,554	1,599
	Indirect employees	1,265	1,304	1,318
	Total	2,609	2,858	2,917
Average age		39.4	38.8	38.7
Average years of service		9.8	8.9	8.8
Education distribution percentage (%)	Ph.D.	0	0	0
	Master’s degree	1.49	1.26	1.20
	College	34.46	32.72	31.58
	Senior high school	36.57	41.39	42.30
	Below senior high	27.48	24.63	24.92

IV. Disbursements for environmental protection

(I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):

The Company has been committed to protecting the environment and reducing pollution and waste since its establishment. In 2002, we passed the ISO 14000 environmental management system certification and have been budgeting, improving pollution prevention equipment and implementing environmental protection policies year by year. We have passed the ISO 14000 third-party certification review every year and have not suffered any major environmental pollution losses.

(II) An estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company's environmental protection work is well implemented so that no environmental pollution has occurred. However, in order to implement the environmental protection concept, to provide a safe and comfortable working environment for our employees, to achieve the effect of good relations with our neighbors, and to further enhance our corporate image, we propose to continuously invest in environmental protection facilities as follows:

1. Estimated future environmental expenditures and improvements:

Planned items	2025	2026	2027
Proposed purchase of pollution control equipment or content of expenditure	Fees and charges related to waste and disposal of environmental equipment.	Same as left	Same as left
Expected improvements	Compliance with environmental regulations.	Same as left	Same as left
Estimated possible expenditure	8.5 million	9 million	9 million

2. Impact assessment after improvement:

Item	2025	2026	2027
Effect on net income	Although the expenses related to environmental protection will be slightly increased, it can effectively reduce the possibility of environmental non-compliance expenses. The effect on net income should be positive as it will improve the Company's image and employee productivity.	Same as left	Same as left
Effect on competitiveness	The investment in the above environmental protection facilities will help enhance the corporate image and may help the Company's competitiveness, but should have no significant impact.	Same as left	Same as left

V. Labor relations:

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

The Company and its subsidiaries are the leading fastener service provider and have made it a long-term vision to become the "leader in supplying green energy smart automotive fasteners." The core competitive advantages of the Company and its subsidiaries lie in "Soft Contents" such as quality system, supporting services, R&D capability and long-term partnership. The key factors for competition are quality customer service, professional knowledge, innovation and human resources. Therefore, we believe that "employees are the most important assets of the company." We are committed to managing our human resources and strive to integrate the employees' growth with the company's development.

In order to attract and retain talents needed for the development of the Company and to motivate employees, the Company and its subsidiaries have been promoting and continuously improving employee benefits, education and training, pension system and labor relations. The following is a description of various employee benefit measures and labor–management agreements of the Company and its subsidiaries:

1. Employee benefit plans:

The Company and its subsidiaries have well-established welfare programs that are often better than those in the industry. In addition to general welfare, we focus on employee health, assistance in emergencies and learning and development to provide a healthy, safe and learning work environment for our employees. The major employee benefits of the Company are as follows:

(1) Regularly conduct employee health checkups and medical consultation services, and sign contract hospitals to care for employees' health.
The Company conducts annual employee health examinations exceeding regulatory requirements and employs on-site nurses and contracted resident physicians to provide employees with timely and high-quality occupational health services.

(A) General health checkups: In 2025, a total of 501 individuals received general health checkups organized by the Company. The examination items were as follows:

① Work history, past medical history, lifestyle habits, and subjective symptoms.

② Height, weight, waist circumference, vision, color discrimination, hearing, blood pressure, and physical examination of various body systems or parts.

③ Chest X-ray examination (large film).

④ Urine protein and occult blood.

⑤ Hemoglobin and white blood cell count.

⑥ Blood glucose, serum alanine aminotransferase (ALT), creatinine, cholesterol, triglycerides, high-density lipoprotein cholesterol, and low-density lipoprotein cholesterol.

⑦ Abdominal ultrasound.

⑧ Other examinations designated by the central competent authority.

(B) Special health checkups (noise-related special operations):

In addition to the annual general health checkup for employees, the Company also conducts special hazard operation checks for personnel in special working environments (primarily noise-related operations). It is required that new employees undergo a physical examination upon entering the plant to ensure their health and safety. In 2025, the special hazard operation checks for personnel in noise-designated workplaces totaled 267 examinations; 7 employees were classified under Level 4 health management. Those colleagues received interviews with occupational medicine physicians, who provided recommendations for appropriate adjustments to their work environments. The Company also held internal review meetings and has implemented the identified improvements.

(2) In addition to national health insurance and labor insurance, the company also provides group insurance coverage for employees, which includes life insurance and accident insurance.

(3) Employees are entitled to receive subsidies for childbirth, marriage, funeral, injury and illness, and disaster relief.

(4) There is an employee emergency relief subsidy system to help employees to get help in case of emergency.

(5) We also set up an employee welfare committee to organize related employee welfare matters, such as organizing outings and providing domestic and overseas travel subsidies for our employees.

(6) We encourage our employees to organize recreational and cultural activities at their own initiative through the funding provided by the Welfare Committee.

(7) Employees are entitled to receive bonuses (gifts) for three festivals and birthday.

(8) The vacation system is governed by the Labor Standards Act.

(9) In order to encourage employees to stay in the Company as long as possible so that the Company's related technology can be maintained and developed, and to recognize the hard work and dedication of these employees in the Company, longevity incentives are given according to their length of service.

2. Employees' education and training measures:

The long-term development of the Company and its subsidiaries depends on the continuous improvement of the professional knowledge and innovation of our employees. However, as the Company and its subsidiaries belong to traditional industries, in the human resources market, they have to face the crowding out effect caused by the high-tech industry; and most of the industry-oriented human resources are manufacturing-oriented, and the Company and its subsidiaries are mainly service-oriented. The Company and its subsidiaries have established a comprehensive internal education and training mechanism, organized various internal and external seminars and trainings, and paid employees training fees to develop the required talents, which has become the main strategy for the human resources development of the Company and its subsidiaries.

The Company has made great efforts in employee training and education. We have been awarded the "Enterprise Organizational Learning Excellence Award" by the Small and Medium Enterprise Division of the Ministry of Economic Affairs. The company's main training and training measures are as follows:

(1) New employee orientation:

New employees are required to attend 2 to 14 days basic training from the day they are on board. The training focuses on helping new employees get familiar with the work environment and quickly get started. In addition, we have set up a counseling system for new employees by providing them with consultation after 40 days from the date they are on board. The purpose is to understand their learning progress, workload and interaction with peers and supervisors, so as to identify and solve any inappropriate problems as early as possible, and to maintain the retention rate of new employees above the standard.

(2) On-the-job training:

The Company draws up annual education and training plans based on the Company's annual operational objectives and policies.
Through a systematic and planned education and training system that combines internal and external resources, we will conduct various professional and functional training, quality improvement and management training to ensure that each employee can perform his or her job, perform his or her function, increase work efficiency and accumulate experience, and grow with the company's development to improve the overall efficiency of the organization. In addition, we will continue to grow with the development of the company and improve the overall efficiency of the organization.

(3) Continuing education subsidy:

In order to utilize the external training resources and to supplement the inadequacy of our education and training system, the Company has established a degree subsidy program to encourage employees to pursue on-the-job training and to enhance their professional skills to improve the Company's professional quality.

3. Employee retirement system and implementation status:

The Company and its subsidiaries have made monthly contributions to designated pension accounts in accordance with the Labor Standards Act and the Labor Pension Act.

(1) For employees under the old system:

In accordance with the relevant provisions of the Labor Standards Act, monthly contributions shall be made to the Labor Retirement Reserve Fund Supervisory Committee.

(2) For employees under the new system:

In accordance with the Labor Pension Act, the Company shall contribute 6% of the employee's monthly wages to a personal pension account established by the Bureau of Labor Insurance.

In accordance with local government regulations, subsidiaries in Mainland China contribute a certain percentage of employees' salaries to the pension insurance fund, which is paid to the relevant government department and deposited in a separate account for each employee.

Other foreign subsidiaries or branches of the Group make contributions to the pension fund in accordance with local laws and regulations.

4. Status of labor–management agreements and measures for preserving employees' rights and interests:

The Company has established "Work Rules" and "Safety and Health Code of Practice," which are in accordance with the Labor Standards Act and have been approved by the Labor Bureau of the city government. The Company places great importance on the employees' opinions and holds regular labor–management meetings to discuss and fully protect the rights and interests of employees. The Company establishes harmonious labor relations through the following actions.

(1) The Company has always been the honest and complied with the laws and regulations to protect labor rights and interests.

(2) Pay attention to the formal and informal communication channels between the Company and the employees, and listen to the employees' opinions.

(3) The Company develops welfare measures and organize various recreational activities, which not only provide for the physical and mental health for employees, but also promote good interactions among employees across departments and hierarchies.

(4) We provide a comprehensive education and training system and subsidies to improve the employees' job skills, so that they can return what they have learned to the company in order to grow together.

5. Work environment and employee safety protection measures:

The Company is a traditional screw manufacturing industry, and the main risk of the operating environment has been evaluated to be the noise control area. In addition to noise reduction, employees should wear protective earplugs in the noise control area. The Company has conducted special noise health checkups for employees working in special noise areas every year, and those with hearing abnormalities are tracked so the Company can implement prevention and improvement plans.

(1) Work safety risk management:

By assessing the process risk, the Company identifies significant risk items to improve the process or install additional protective facilities.
In case of environmental hazards, we will set up alarm systems and emergency response training for employees to reduce the potential hazards to personnel.
To ensure the safety of the workplace and employees, dangerous equipment is automatically inspected on a regular basis. The Company also sends safety personnel to inspect the factory occasionally.

(2) Safety and health education training:

The Company implements an annual education program that includes: two sessions of safety and health training; two sessions of fire drills; two sessions of self-organized overhead crane/hoist training; and external training for related professional certification classes. We also raise the safety awareness among our employees to reduce the chance of occupational accidents by promoting the cases of occupational accidents and traffic accidents.

(3) Health and Care:

① The Company conducts annual health checks for all employees, with special health checks for personnel working in noise-designated areas. Employees with abnormal results from special checks are monitored by the plant nurse, who tracks follow-up protection plans and improvements.

② The plant environment is tested every six months, with testing items including noise, organic solvents, carbon dioxide, etc. This ensures the implementation of environmental monitoring, improving the safety and reliability of the working environment.

6. Employee Code of Conduct or Ethical Guidelines

The Company believes in "Integrity, Learning, Gratitude, and Commitment" and considers employees as important assets. In order to implement the Company's management policy and to pass on the Company's corporate culture, in addition to the work rules, we have set out the criteria for rewards and punishments to regulate the employees' ethical behavior. The Company has also set up a Code of Ethical Conduct for all employees to follow.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Cyber security management:

(I) Describe the information communication security risk management framework, information communication security policies, specific management plans, and resources invested in information communication security management.

Cybersecurity is a crucial foundation for the sustainable development of a company. To actively promote the management and execution of cybersecurity, and establish an effective information security management system to address threats and risks, the Company obtained ISO 27001 international standard certification in 2024, and the certificate is valid from November 18, 2024 to November 18, 2027. It successfully implemented the ISO 27001 Information Security Management System (ISMS) to uphold information security and achieve the Company's information security management goals. (For detailed information, please refer to the Quality System section on the Company's website (https://www.qst.com.tw/sub_3_2.aspx)).

1. Cyber security risk management framework:

   (1) To effectively promote and implement the Company's information security management system, an information security organization has been established to formulate the direction and strategies for the development of the Company's information security, ensuring the continuous and stable operation of the information security management system.

   (2) According to the "Information Security Organization Management Regulations," the following are the designated responsibilities and units of the Company:

      ① Information Security Management Committee (with one convener):

      The decision-making organization for the Company's information security management is led by the head of the IT department, who serves as the convener and oversees the affairs of the Information Security Management Committee.

      ② Executive Secretary (1 Executive Secretary appointed):

      Responsible for managing information security operations and serving as the ISMS manager, as well as assisting in organizing and facilitating the meetings of the Information Security Management Committee.

      ③ Information Security Management Team (comprising several members):

      The Company's information security management system is planned, established, implemented, maintained, reviewed, and continuously improved, with information security-related issues reported to the Information Security Management Committee. Coordinate the scheduling of audits for the Information Security Management Team, supervise the execution of audits, and oversee corrective and preventive improvement actions.
      The Information Security Management Team is composed of the head of the IT department and representatives assigned by them.

④ Emergency Response Team (members organized by task):

The team is organized by task, and in the event of a major information security incident, it is responsible for developing, maintaining, updating, and executing disaster recovery procedures.

The Emergency Response Team is composed of the heads of key business areas.

Additionally, each department has designated senior personnel as points of contact, with at least one individual appointed by the department head (additional personnel may be added as needed) to coordinate related information security matters.

2. Cyber security policies:

(1) To enhance the Company's information security mechanism to ensure the normal operation of the system.

(2) To properly protect data to avoid leakage, strengthen information security, and protect customers' privacy.

3. Specific management solutions:

The Company's specific management plans are based on the establishment and revision of the "internal control system" and its implementation into daily work. The specific plans are as follows:

(1) Security control of files and equipment:
There are detailed specifications for the security control of files and equipment. Relevant personnel must strictly and effectively implement them in accordance with the specifications, and record them in the corresponding forms in detail.

(2) Control of cybersecurity inspection:

① The relevant information security policy is notified in writing, or electronically, to the employees, the on-line operation units and the service providers who provide information services to comply with it.

② Conduct regular or occasional information security audits which are conducted by the information unit and the auditing unit.

③ The Information Management Department personnel shall regularly check the network operation environment to ensure its safety, and shall conduct IT security education and training and informative seminars for each unit's employees. The content of the training and advocacy shall include anti-virus, backup, document confidentiality regulations, e-mail usage regulations, and information security awareness. Employees are prohibited from transmitting company-related information via e-mail unless authorized by their supervisors.

④ Take necessary precautionary and protective measures to detect and prevent computer viruses and other malicious software to detect and prevent computer viruses or hackers and to ensure the system runs smoothly.

⑤ Depending on the importance and value of information and systems, the information systems, information services or websites that are publicly accessible to the outside world shall use technologies or measures with different security levels, such as data encryption, identity authentication, electronic signature, firewall and security vulnerability detection, to prevent intrusion, destruction, tampering, deletion and unauthorized access to the information and systems.

⑥ To the extent necessary for the information security policy and the execution of required tasks, the necessary system access privileges are granted to personnel at all levels. When adjusting and transferring the staff, the authority should be adjusted in accordance with the system access authorization. All privileges to use the information resources of the system shall be cancelled immediately for those who resigned (retired).

⑦ The maintenance, update, online execution and version update of the information system shall be secured and controlled to avoid improper software, worms, backdoors and computer viruses from endangering system security. The account and password of the information system administrator shall be updated regularly to prevent misappropriation or plagiarism.

⑧ Information Management Department staff should keep track and announce the latest information about virus, system security vulnerability patches and information security notifications, and conduct virus scans on computer systems and data storage media on a regular basis.

⑨ Regularly conduct drill on emergency response and recovery procedures.

4. Investments in resources for cyber security management:

(1) Convene information security management review meetings:

① Held regularly: at least once a year.

② Held occasionally: Extraordinary meetings may be convened at any time as needed.

- Meetings shall be convened at the request of the convener or their proxy.
- Meetings shall be convened at the request of a committee member.
- In the event of ad hoc or urgent major information security incidents, department heads may request the convener to convene a meeting.

(2) Specific actions taken:

① The staff in Information Management Department regularly check the safety of the network operation environment.

② Information security promotion and training.

③ All computer devices are equipped with anti-virus software.

④ Update the virus code immediately to prevent the spread of computer viruses by e-commerce.

⑤ Firewalls are installed to isolate external threats, and a firewall firmware security monitoring mechanism has been established to perform timely patching and version updates for known vulnerabilities or system program errors.

⑥ Integrate AD accounts for advanced control.

⑦ All access to the intranet is controlled by MAC authentication.

⑧ Quarterly operating system security updates and patching.

⑨ Implementation of ISO 27001 certification.

⑩ Implementation of TISAX certification.

⑪ A hardware-based mail gateway has been implemented to perform advanced threat filtering (antivirus and anti-spam functions), and integrated with an automated email archiving mechanism to ensure the security of corporate communications and the integrity of historical records.

(3) Performance and adjustment:

① To date, no information security incidents have occurred; therefore, the Company continues to operate in accordance with internal control guidelines, reviewing or updating its information security policies annually and implementing effective hardware management.

(a) Regularly perform backup and store properly, and do recovery exercises twice a year.

(b) Evaluate and review cybersecurity inspections to ensure the effectiveness of information security policies and practices.

(c) Perform maintenance and repair on equipment according to guidelines and to ensure proper control.

Forms and records are available for all of the above.

② Approved ISO 27001 certification.

③ Obtained the official TISAX label.

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

VII. Important contracts

March 31, 2026

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Lease contract	Xiamen Weinuoxin Technology Co., Ltd.	January 1, 2023 - December 31, 2027	Lease of factory premises	None
Land Lease Contract	BOLTUN CORPORATION	January 1, 2023 – December 12, 2052	Lease of land in Quy Nhon Industrial Park	None
Land Lease Contract	BAC TIEN PHONG INDUSTRIAL ZONE JOINT STOCK COMPANY	March 30, 2023 - September 23, 2066	Lease of land in Vietnam	None
Royalty	Conti Fasteners AG	From May 1st 2017 to present	Payment of royalties.	None
Royalty	MAThread Incorporated	April 30, 2003 - April 29, 2031	Payment of royalties.	None
Royalty	Acument Global Technologies B.V.	January 21, 2007 to January 1, 2029	Payment of royalties.	None
Syndicated loan agreement	14 financial institutions including Hua Nan Bank	7 years from the drawdown date	Total credit line of NT$7.2 billion	By contract
Syndicated loan agreement	Six financial institutions, including First Commercial Bank Hanoi Branch	5 years from the drawdown date	Total credit facilities include VND 650 billion for mid- to long-term machinery and equipment and USD 24 million for short-term working capital.	By contract

Five. Review and Analysis of Financial Position, Financial Performance and Risks

I. Financial position

(I) Balance sheet, statement of comprehensive income, statement of changes in equity

Unit: NT$ thousands

Item	2024	2025	Difference	
			Amount	Percentage
Current assets	9,604,160	9,895,081	290,921	3.03%
Investments accounted for using the equity method	344,529	392,689	48,160	13.98%
Property, plant and equipment	8,196,090	9,739,615	1,543,525	18.83%
Intangible assets	764,923	816,774	51,851	6.78%
Other assets	2,615,783	2,489,901	(125,882)	(4.81%)
Total assets	21,525,485	23,334,060	1,808,575	8.40%
Current liabilities	6,720,411	7,832,287	1,111,876	16.54%
Non-current liabilities	7,244,020	6,866,511	(377,509)	(5.21%)
Total liabilities	13,964,431	14,698,798	734,367	5.26%
Share capital	1,793,095	2,188,214	395,119	22.04%
Capital reserve	2,768,968	3,657,733	888,765	32.10%
Retained earnings	2,141,771	1,976,057	(165,714)	(7.74%)
Other equities	(375,312)	(299,664)	75,648	20.16%
Equity attributable to shareholders of the parent	6,328,522	7,522,340	1,193,818	18.86%
Non-controlling interest	1,232,532	1,112,922	(119,610)	(9.70%)
Total equity	7,561,054	8,635,262	1,074,208	14.21%

(2) The main reasons for the significant changes in the Company’s assets, liabilities and shareholders’ equity in the last two years (changes of 20% or more in the preceding and following periods, and changes amounting to NT$10 million), their effects and future measures taken:

1. Increase in share capital: Mainly attributable to the issuance of new shares through the cash capital increase conducted in 2025.
2. Increase in capital reserve: Mainly attributable to the share premium arising from the issuance of new common shares through the cash capital increase conducted in 2025.
3. Increase in other equity: Mainly due to the accumulated translation adjustments.
4. Response plan: The above changes have no significant impact on the Company.

II. Financial performance

(1) Comparative analysis of financial performance

Unit: NT$ thousands

Item	2024	2025	Difference	
			Amount	Percentage
Operating revenue, net	13,136,685	11,451,195	(1,685,490)	(12.83%)
Operating cost	10,371,412	9,171,266	(1,200,146)	(11.57%)
Gross profit	2,765,273	2,279,929	(485,344)	(17.55%)
Operating expenses	1,781,170	1,697,711	(83,459)	(4.69%)
Other income and expense, net	(4,677)	(3,172)	1,505	32.18%
Operating income, net	979,426	579,046	(400,380)	(40.88%)
Non-operating income and expenses	91,470	(77,728)	(169,198)	(184.98%)
Consolidated net income before tax	1,070,896	501,318	(569,578)	(53.19%)
Income tax expense	364,493	173,723	(190,770)	(52.34%)
Net income for the period	706,403	327,595	(378,808)	(53.62%)
Other comprehensive income or loss (after tax)	238,892	51,408	(187,484)	(78.48%)
Total comprehensive income or loss for the period	945,295	379,003	(566,292)	(59.91%)

(2) Analysis of changes in the ratio of increase to decrease in the last two years:

1. Increase in other incomes and expenses, net: mainly due to the disposal of property, plant and equipment.
2. Decrease in net operating income: Mainly due to the decrease in operating revenue.
3. Decrease in non-operating income and expenses: Mainly due to the decrease in foreign exchange gains and losses.
4. Decrease in consolidated profit before tax and net profit for the period: Mainly due to the decrease in operating revenue.
5. Other comprehensive income (net amount after tax) decreased: mainly due to the exchange gains and losses from the conversion of financial statements of foreign operations
6. Total comprehensive income decreased: It is due to the sum of the above reasons.

(III) Estimated sales volume in 2026 and its basis, possible impact on the Company’s future finance and business, and response plan:

The estimated sales volume of the Company and its subsidiaries is based on market supply and demand, and prosperity, production and sales performance in the previous years, and business plans and budgets in the previous years.

Global developments are moving toward a multipolar landscape, and the long-term strategic rivalry between China and the United States has clearly taken shape. In short, the global landscape has shifted from being “stable and rule-based” to one characterized by “change and uncertainty.” The Company views these changes as opportunities for breakthrough, responding to evolving conditions through flexible decision-making, seizing uncertain business opportunities through rapid response, and continuing its multi-location global deployment to enhance flexibility and promptly capture local opportunities.

III. Cash flow

Unit: NT$ thousands

Cash at Beginning of Year	Net cash inflow from operating activities for the year	Net cash outflow from investing activities for the year	Net cash inflow from financing activities for the year	Foreign exchange adjustments	Cash at end of year
1,596,222	1,236,085	2,367,771	1,169,370	144,865	1,778,771

1. Analysis of changes in cash flows for 2025:
   (1) Cash inflow from operating activities of NTD 1,236,085 thousand: Mainly due to current profit and depreciation.
   (2) Cash outflow from investing activities amounted to approximately NTD 2,367,771 thousand: Mainly due to the acquisition of property, plant, and equipment.
   (3) Cash inflow from financing activities amounted to approximately NT$1,169,370 thousand: mainly attributable to the cash capital increase.
2. Remedial Measures for Cash Inadequacy and Liquidity Analysis: The Company did not have any cash inadequacy.
3. Liquidity Analysis for the Next Year:

Unit: NT$ thousands

Cash at Beginning of Year	Net cash flow from operating activities for the year	Net cash outflow for the year	Cash balance	Remedial Measures for Cash Inadequacy	
				Investment plan	Financing plan
1,778,771	1,257,674	1,471,871	1,564,573	-	-

Analysis of changes in cash flows for 2026:
(1) The net cash inflow from operating activities is mainly expected to be the cash inflow from the Company's operations.
(2) The cash outflow is mainly for the purchase of property, plant and equipment and the distribution of cash dividends.

IV. Impact of significant capital expenditures in the most recent year on financial performance and business operations

(I) Major capital expenditures in 2025: None.

(II) Effect on Company’s financial operations: None.

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

December 31, 2025; Unit: NT$ thousands

Item	Description				
	Amount (Note 1)	Policy	Main reasons for the profits/losses	Improving plan	Other investment plan in the future
BOLTUN BVI CORPORATION.	308,233	Investment in Mainland China by third party	Profits from subsidiaries including XIAMEN BOLTUN METAL CO., LTD., XIAMEN BOLTEC METAL CO., LTD., XIAMEN BOLWIR CO., LTD. and XIAMEN BOLMAC CO., LTD.	None	None
BQG International Holdings	73,291	Investment in Mainland China by third party	Profits were mainly derived from BOLTUN BVI CORPORATION.	None	None
BOLTUN INTERNATIONAL COMPANY LIMITED	(161,499)	Manufacture of fasteners and formed stamping products	Mainly due to exchange rate fluctuations	None	None
Clico Products, Inc.	(2,868)	Provide warehouse service	Stable warehouse service income.	None	None
QST (Thailand) Co., Ltd	3,798	Develop distribution business in Thailand	Stable demand from local vehicle manufacturers.	None	None
QST (BVI) CORPORATION	171,806	Investment in Mainland China by third party	Profits were mainly derived from the subsidiaries, SUZHOU YESWIN MANUFACTURE INDUSTRY CO., LTD., YESWIN (SHANGHAI) CORPORATION and XIAMEN BOLTUN METAL CO., LTD.	None	None
BEU Holdings Corporation	(59,814)	Investment holding company reinvests in Germany	Losses from subsidiary in German.	Improved subsidiary's business.	None
BOLTUN UNITED HOLDINGS COMPANY, LLC	(5,040)	Holding company reinvested in BOLTUN UNITED REAL ESTATE COMPANY, LLC	Losses from subsidiary, BOLTUN UNITED REAL ESTATE COMPANY, LLC	None	None

Item	Description				
	Amount (Note 1)	Policy	Main reasons for the profits/losses	Improving plan	Other investment plan in the future
XIAMEN ESKA AUTOMOTIVE CO., LTD.	18,242	The Company jointly invested 94.284% with XIAMEN BOLTEC METAL CO., LTD. and HK ESKA.	Revenues increased and business grew steadily.	None	None
Q-LAB, INC.	10,894	Established a professional and independent testing center	The testing revenue of the fastener industry remains stable.	None	None
Nutec Products Corporation	(145)	Management consulting services	Incorporation expenses.	None	None
SIN FU SHAN INTERNATIONAL CORP.	61,271	Strategic alliance to increase the production and processing of small screws	Business grew steadily.	None	None

Note 1: This represents the investment (loss) recognized in the current period.

VI. Risk matters

(I) The 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. Interest risk:

The consolidated company's interest expenses for the most recent two years were NTD 202,560 thousand in 2025 and NTD 213,382 thousand in 2024, accounting for 1.77% and 1.62% of consolidated annual revenue, respectively. The interest coverage ratios were 3.47 times and 6.02 times, respectively.

Sensitivity analysis: If interest rates increase by 1%, with all other variables held constant, the consolidated company's profit before tax for the years 2025 and 2024 will decrease by NTD 83,026 thousand and NTD 78,847 thousand, respectively, primarily due to the exposure of the consolidated company's floating-rate deposits and borrowings to cash flow interest rate risk.

2. Exchange rate risk:

The consolidated company's exchange rate (gain) loss for the last two years was NT$19,290 thousand for 2025 and NT$95,813 thousand for 2024, accounting for (0.17%) and 0.73% of the consolidated annual revenue, respectively. The consolidated company's exchange rate risk is primarily affected by fluctuations in the exchange rates of the USD, EUR, and RMB. The following explains the sensitivity analysis of the consolidated company when the exchange rates of relevant foreign currencies against the functional currency fluctuate. When the functional currency depreciates by 1% against each relevant foreign currency, the impact on the Group's net income before tax is as follows:

(1) Impact of USD: The profit and loss of the consolidated company for 2025 and 2024 will increase by NT$3,556 thousand and NT$7,263 thousand, respectively.

(2) Impact of EUR: The profit and loss of the consolidated company for 2025 and 2024 will increase by NTD 1,922 thousand and NTD 1,392 thousand, respectively.

(3) Impact of RMB: The profit and loss of the consolidated company for 2025 and 2024 will increase by NTD 1,928 thousand and NTD 1,899 thousand, respectively.

Hedging strategy: The Company and its subsidiaries take the following specific measures in response to exchange rate fluctuations:

① Continuously gather relevant information on exchange rate changes and trend forecasts, and based on actual funding needs and exchange rate fluctuations, take foreign currency borrowings or implement relevant hedging measures in accordance with the company's "Foreign Exchange Hedging Procedures."

② Make effective use of hedging instruments, such as timely forward foreign exchange sales or purchases, to protect receivables and mitigate the exchange rate fluctuation risk of liabilities.

③ Request professional advisory services from correspondent banks to monitor exchange rate trends.

④ When providing business quotes, consider the factors arising from exchange rate fluctuations to mitigate the risk of exchange rate changes.

3. Inflation risk:

The Company has not experienced any significant impact on profit or loss due to inflation so far. Inflation risk that affects the Company's profit or loss is mainly due to international steel and crude oil prices. Steel wire rod and wires are the Company's main raw materials and are the primary factor affecting the Company's gross profit.

International steel and crude oil prices have risen sharply in recent years, resulting in higher raw material procurement costs and higher freight rates. The Company has responded to the impact of the aforementioned inflation on the Company's profitability by developing new high-end products, continuously improving product structure, strengthening relationships with suppliers and customers, negotiating prices together, and continuously improving operational efficiency and reducing costs.

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

The Company insists on stable management philosophy, focuses on the core business to keep itself competitive and seeks long-term stable profits, thus does not engage in any investment activities unrelated to its own business. As of the publication date of the annual report, the Company has not engaged in high-risk, highly leveraged investments. In addition, the Company has established "Procedures for the Acquisition or Disposal of Assets," "Procedures for Endorsements and Guarantees" and "Procedures for Lending Funds to Others," which clearly define the relevant policies and procedures and have been approved by the shareholders' meeting.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The Company's R&D is characterized by diversified and multi-axis development, and technology development is one of the important driving forces for the Company's business performance. We focus on the product process R&D as well as the service aspect including marketing, logistics, and information technology introduction.
In addition, we focus on internal R&D activities as well as collaborative R&D with external suppliers. Based on this diversified characteristic, our R&D resources are scattered in many small R&D projects to show our overall supporting performance by diversified R&D. The diversified R&D resources are spread out and the R&D risks are dispersed. The success or failure of a single R&D project will not have a significant impact on the Company's profit or loss.

In addition, the consolidated company's R&D expenses for the last two years were NT$119,442 thousand for 2025 and NT$82,626 thousand for 2024, accounting for 1.04% and 0.63% of revenue, respectively. The overall investment in R&D is still relatively low and does not result in excessive reliance on R&D results, which leads to risk concentration.

The Company's major research and development projects in progress and the estimated investment in R&D are listed below.

Major R&D Projects and Estimated R&D Costs Unit: NT$ thousand

Current Year Plan	Progress	R&D expenses to be invested	Estimated Completion Time	Key factors affecting the success of R&D in the future
Improvement of machine material feeding issues	Planning the feeding mechanism compatible with the handling machine and building the model, followed by factory testing of the prototype equipment after delivery.	1,000	June 2026	Improve material feeding issues and reduce labor workload.

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

The Company has always operated in accordance with the ethical standards promulgated by domestic and foreign governments. In addition to carrying out business in accordance with existing laws and regulations, the Company closely monitors the direction, formation, legislative process and details of important domestic and foreign policies related to the Company's operations, and proposes corresponding measures in a timely and proactive manner. As of the publication date of the annual report, the Company has not been subject to significant domestic or foreign policy and legal changes that would have an impact on its financial and business affairs.

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

We are a leading provider in the industry for supporting services. We are highly customer oriented and encourage innovation. We have always been committed to the introduction and application of new concepts, new technologies and new tools. Our major customers include major international industry leaders. They are leaders and exemplary in terms of introducing new technologies and responding to changes in the industry, providing the Company with opportunities for advanced learning and participation. The management pay close attention to the internal and external changes in the industry and the development of key technologies, and conduct regular evaluation and plan for countermeasures in order to be able to identify market opportunities and industry changes at the first time.

The Company's IT Department is responsible for the overall planning and planning of information security, and the implementation of information security management and solutions. The Information Department establishes an Information Security Management Committee, Executive Secretary, Information Security Management Team, and Emergency Response Team to oversee information security matters. They are responsible for implementing cybersecurity protection measures, regularly reviewing the implementation of policies and goals, and ensuring compliance with cybersecurity regulations. In the event of a major cybersecurity incident, they are responsible for developing, maintaining, updating, and executing disaster recovery procedures to effectively strengthen the Company’s cybersecurity management and ensure information security.

The Company has implemented the following concrete policies to address the risks associated with cyber security:

The Company's specific management plans are based on the establishment and revision of the "internal control system" and its implementation into daily work. The specific plans are as follows:

1. Security control of files and equipment:

   There are detailed specifications for the security control of files and equipment. Relevant personnel must strictly and effectively implement them in accordance with the specifications, and record them in the corresponding forms in detail.

2. Control of cybersecurity inspection:

   (1) The relevant information security policy is notified in writing, or electronically, to the employees, the on-line operation units and the service providers who provide information services to comply with it.

   (2) Conduct regular or occasional information security audits which are conducted by the information unit and the auditing unit.

   (3) The Information Management Department staff shall regularly check the network operation environment to ensure its safety, and shall conduct IT security education and training and informative seminars for each unit’s employees. The content of the training and advocacy shall include anti-virus, backup, document confidentiality regulations, e-mail usage regulations, and information security awareness. Employees are prohibited from transmitting company-related information via e-mail unless authorized by their supervisors.

(4) Take necessary precautionary and protective measures to detect and prevent computer viruses and other malicious software to detect and prevent computer viruses or hackers and to ensure the system runs smoothly.

(5) Depending on the importance and value of information and systems, the information systems, information services or websites that are publicly accessible to the outside world shall use technologies or measures with different security levels, such as data encryption, identity authentication, electronic signature, firewall and security vulnerability detection, to prevent intrusion, destruction, tampering, deletion and unauthorized access to the information and systems.

(6) To the extent necessary for the information security policy and the execution of required tasks, the necessary system access privileges are granted to personnel at all levels. When adjusting and transferring the staff, the authority should be adjusted in accordance with the system access authorization. All privileges to use the information resources of the system shall be cancelled immediately for those who resigned (retired).

(7) The maintenance, update, online execution and version update of the information system shall be secured and controlled to avoid improper software, worms, backdoors and computer viruses from endangering system security. The account and password of the information system administrator shall be updated regularly to prevent misappropriation or plagiarism.

(8) Information Management Department staff should keep track and announce the latest information about virus, system security vulnerability patches and information security notifications, and conduct virus scans on computer systems and data storage media on a regular basis.

(9) Regularly conduct drill on emergency response and recovery procedures.

Therefore, for the year 2025 and up to the publication date of the annual report, there have been no significant adverse impacts on the Company's financial and business operations due to technological changes (including cybersecurity risks) and industry changes.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The company has been operating steadily since its establishment.
The core culture of the company is honesty, learning, gratitude and commitment. We hope to attract more talented people to contribute to the growth and development of the company after being listed on the stock exchange. We also hope to return our operating results to our shareholders and contribute to society, so that we can enhance our corporate image. In addition, the Company has a dedicated spokesperson who is responsible for maintaining good relations with the community and the investors and for building up the Company's corporate image. There is no change in corporate image that would have a significant impact on the Company.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

For the year 2025 and up to the publication date of the annual report, the Company has not engaged in any mergers or acquisitions, nor are there any plans for mergers or acquisitions.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

The Company's plant expansion plans have been evaluated in a thorough, prudent and dedicated manner, taking into account the payback benefits and possible risks. Significant capital expenditures must also be reported to the Company's board of directors.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

1. Whether there is a risk of concentration of purchase:

   The Company and its subsidiaries have been working with major suppliers for many years, and have been supporting each other's business. In addition to maintaining a good cooperative relationship, we have adopted a policy of multiple suppliers for the purchase of major raw materials, and our supply sources are stable and diversified. There is no shortage or interruption of supply that affects production operations. The Company and its subsidiaries purchase products in a highly dispersed manner, and there is only one single supplier that exceeds 10% of the total purchase value. Therefore, there is no risk of excessive concentration of the Company's purchases.

2. Whether there is a risk of concentration of sales:

   The sales of the Company and its subsidiaries are primarily in the foreign market, with Asia being the largest region and Europe the second. There has been a slight change in the ranking of major customers in the last two years. The proportion of individual net revenue of the top ten customers has exceeded 10% of total sales to only one customer. The sales structure of the Company and its subsidiaries is stable and dispersed, and there is no risk of concentration.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, or shareholder holding greater than a 10% stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

There is no director, or shareholder holding greater than a 10% stake in the company has been transferred or has otherwise changed hands in the most recent fiscal year and up to the annual report publication date.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

There is no change in governance personnel or top management affecting the Company’s operations in the most recent fiscal year and up to the annual report publication date.

(XII) Litigious and non-litigious matters:

1. List major litigious, non-litigious or administrative disputes that involve the company 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, the annual report shall disclose the information on the dispute: None.
2. The Company’s directors, supervisors, president, substantial controllers, major shareholders holding more than 10% of the shares, and subsidiaries shall disclose relevant information regarding any lawsuits, non-litigation matters, or administrative disputes that have been adjudicated or are still pending during the most recent two years and up to the publication date of the annual report, where the outcome may have a significant impact on shareholder rights or securities prices: None.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

VII. Other important matters: None.

Six. Special Matters to be Noted

I. Information related to the Company's affiliates:

Please refer to MOPS > Individual Company > Electronic Document Download > Affiliates' Three Major Reports Section (Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10), and enter the company code to query relevant information on affiliates.

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. Other matters that require supplementary description: None.

Seven. Significant Events

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