

KING SHING INDUSTRIAL CO., LTD.

2025

ANNUAL REPORT

Printed on

April 27, 2026

Company website : <https://www.kingshing.com>

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

1. The spokesperson and deputy spokesperson of our company, their names, titles, contact phone numbers, and email addresses :

Spokesperson's name : Shih,Meng-Chin

Title : Vice President

TEL : (03)419-5988

E-mail : ir@kingshing.com.tw

Deputy spokesperson's name : Liao, Yi-Lin

Title : Assistant Manager

TEL : (03)419-5988

E-mail : ir@kingshing.com.tw

2. Company address and telephone number

Company/Factory	Address	TEL
Headquarters (Note)	No. 3, Gongye 1st Road, Pingzhen District, Taoyuan City	(03)419-5988
Sanxia Factory	No. 5-1, Tianfu Rd., Sanxia District, New Taipei City	(02)2672-9910

Note: This is the company's registered address.

3. The name, address, website, and phone number of the stock transfer agent :

Name : Fortune Securities Co., Ltd. Shareholder Services Department

Address : 6F, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City

Website : <https://www.gfortune.com.tw>

TEL : (02)2371-1658

4. The recent annual financial report's certified public accountant's name, firm name, address, website, and telephone number

Firm Name : PwC Taiwan

Aiditors:Lin,Se-kai and Chen,Chi-Tung

Address : 27F, No. 333, Section 1, Keelung Road, Xinyi District, Taipei City

Website : <https://www.pwc.tw>

TEL : (02)2729-6666

5. The names of the trading venues for the listing and trading of overseas securities, as well as the methods to inquire about information on these overseas securities : None.

6. Company website : <https://www.kingshing.com>

KING SHING INDUSTRIAL CO., LTD.

Table of Contents

I	Letter to Shareholders	1
II	Corporate Governance Report	8
2.1	Information on directors, supervisors, President, Vice President, Junior VP, and officers of departments and branches	8
2.2	Remuneration paid to directors, supervisors, President, and Vice President in the most recent year	17
2.3	Corporate Governance Operations Situation	21
2.4	Information on Accounting Fees	57
2.5	Information on accountant change	57
2.6	The company's chairman, general manager, or managers responsible for financial or accounting affairs who have worked at the certifying accountant's firm or its related entities in the past year	57
2.7	Changes in equity transfers and pledges of directors, supervisors, managers, and shareholders holding more than 10% of shares in the most recent year and up to the date of the annual report publication	57
2.8	Related Party Relationship among TSMC's 10 Largest Shareholders	58
2.9	The number of shares held by the company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the company in the same invested enterprise, and the comprehensive shareholding ratio calculated by consolidation	59
III	Fund-raising situation	60
3.1	Capital and shares	60
3.2	Handling of corporate bonds (including overseas corporate bonds)	64
3.3	Handling of preferred shares	64
3.4	Participation in the issuance of overseas depository receipts	64
3.5	Handling of employee stock options	64
3.6	Handling of new shares with restricted employee rights	64
3.7	Handling of mergers or acquisitions of shares from other companies and issuance of new shares	64
3.8	Implementation of capital utilization plan	64
IV	Operating Overview	65
4.1	Business Content	65
4.2	Market and Sales Overview	80
4.3	The number of employees in the past two years	88
4.4	Environmental expenditure information	88
4.5	Labor relations	88
4.6	Information and Communication Technology (ICT) Security Management	90
4.7	Key Contracts	92

V Analysis of Financial Position, Performance and Risk related Issues	93
5.1 Comparative Analysis of Financial Position.....	93
5.2 Comparative Analysis of Financial Performance.....	94
5.3 Cash Flow Analysis.....	95
5.4 Impact of Significant Capital Expenditures on Financial Business in the Most Recent Year	96
5.5 Investment Policy, Main Reasons for Profits or Losses, Improvement Plans, and Investment Plan for the Coming Year	96
5.6 Assessment of Risk Factors.....	96
5.7 Other Important Matters.....	101
VI 、 Special Provisions	101
6.1 Related company information.....	101
6.2 Recent and up to the date of printing of the annual report, there have been no private placements of securities.	101
6.3 Other necessary supplementary explanations.	101
VII 、 If there are events specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that have a significant impact on shareholders' equity or securities prices up to the most recent fiscal year and the publication date of the annual report.....	101

I - Letter to Shareholders

1.1 Business Report :

Unit : NT\$ thousand

Item	2025	2024	Difference(%)
Operating revenue	1,092,317	1,085,128	1%
Operating costs	768,666	736,227	4%
Operating profit - gross	323,651	348,901	-7%
Operational expenses	188,029	179,172	5%
Operating profit	135,622	169,729	-20%
Non-operating Income and Expenses	1,749	27,898	-94%
Profit before income tax	137,371	197,627	-30%
Income Tax Expense	25,029	31,626	-21%
Net income for the period	112,342	166,001	-32%

1.2 Financial Structure and Profitability :

Analysis Items		2025	2024	Difference (%)
Financial Structure	Debt-to-Asset Ratio (%)	18.07	17.80	1%
	Long-Term Funding to Fixed Assets Ratio (%)	202.50	182.60	11%
Profit ability	Return on Assets (ROA) (%)	5.37	8.49	-37%
	Return on Equity (ROE) (%)	6.41	10.29	-38%
	Pre-Tax Net Income to Paid-up Capital Ratio (%)	21.24	32.94	-36%
	Net Profit Margin (%)	10.28	15.30	-33%
Earnings Per Share (EPS) (NTD)		1.73	2.77	-38%

1.3 Development Overview :

Our company was established in March of the 78th year of the Republic of China (1989). Initially engaged in the trade of automotive components, we have since developed into a comprehensive supplier of cooling systems, with complete R&D, manufacturing, and sales capabilities. Our main products include automotive cooling fans, blowers, and brushless inverter motors.

"Meticulous execution, proactive innovation" is our core business philosophy. We are dedicated to the diversification and modularization of motor development. Through close cooperation with key industry players, we are able to stay aligned with international trends in both R&D technology and product quality and performance efficiency, meeting the diverse needs of our customers. Our goal is to adhere to the "quality first, customer satisfaction, and continuous improvement" quality policy. We have obtained international quality certifications such as ISO9001, ISO14001, and IATF16949, becoming a supplier of automotive components known for its "rigorous management, complete processes, and comprehensive product range." Our products are sold through major global channels, providing customers with prompt and comprehensive services.

In recent years, the Company has further expanded its core brushless DC motor (BLDC) technology into cross-industry applications. These include power motors for high-

performance unmanned aerial vehicles (UAVs), drive motors for intelligent logistics automated guided vehicles (AGVs), as well as a wide range of precision motor components. The Company is committed to becoming a comprehensive provider of motor drive solutions.

1.3.1 The product portfolio covers mainstream vehicle models and a diverse range of motor applications.

Our company mainly sells cooling fan products, including engine cooling and air conditioning systems, primarily applied in the automotive field. Our product line includes various passenger cars and heavy trucks from globally renowned car manufacturers, as well as popular car models with high market share. In order to meet the trends and market demands of the automotive industry, we continuously expand our product line to provide more and better high-quality product options.

Beyond traditional automotive thermal management applications, the Company is leveraging the high reliability of automotive-grade motors to develop UAV motors for agricultural and logistics applications, as well as AGV drive wheel motor modules for industrial automation, thereby achieving multidimensional expansion of its product portfolio.

Compared to the market demands of car manufacturers and system suppliers, the aftermarket focuses more on whether the product range is complete rather than the quantity scale of a single product. In response, our company offers a flexible order approach with small quantities and diverse products, adjusting production and shipping schedules based on delivery timelines. Customers can place short- to medium-term orders based on market conditions and inventory plans, while we make adjustments based on product quality and compatibility to meet changing market demands.

1.3.2 Independent R&D and design, with cross-domain technology transfer.

Our company provides a variety of cooling fans and blowers for different vehicle models in the aftermarket. While maintaining the specifications and characteristics of the original equipment products, during the product development phase, our R&D team integrates and analyzes the data and specifications from various vehicle models. We then redesign products with compatibility and commonality in mind, ensuring that both the performance and efficiency of the original manufacturers are considered. This approach allows us to standardize the production processes for the numerous product items, while modularizing the product line to achieve optimal production efficiency and resource allocation.

This R&D capability has now been transformed into a solid foundation for the development of “other automotive motor components” as well as “motors for non-automotive applications.” With over 30 years of development and manufacturing experience, our company is able to flexibly design and modify products according to customer needs.

1.3.3 One-Stop Production Process

From the initial product design, including product drawings and mold design, all work is completed within the R&D department. Subsequently, our Thai subsidiary provides a complete production process, including mold manufacturing and modification, plastic

injection molding, metal stamping, motor winding, fan assembly, and even carton packaging, all done in-house. For UAV and AGV motor components requiring higher precision, the Company also leverages its vertically integrated capabilities to ensure high-precision quality in micro-motors and power modules.

For urgent customer orders, we can also adjust production schedules in real-time and flexibly accommodate demands. With a very high in-house production rate, our company is able to control product quality and meet production deadlines effectively.

1.3.4 Over 20 years of established presence in Thailand, an Automotive Cluster in Asia

Our company established its main production base in Thailand in 2005. The local familiarity with workflows and efficiency in capacity management have reached a high level. The long-term, highly coordinated division of labor between our Taiwanese parent company and the Thai subsidiary ensures smooth operations from mold development, production, assembly, to final packaging and shipment.

Our Thai subsidiary is located in Chonburi Province, a well-known hub for automotive manufacturers and automotive component suppliers in Asia. Car manufacturers from China, Japan, Taiwan, and other regions have also established plants here. The proximity to the supply chain for automotive component raw materials supports our development of OEM business. Due to the recent trade tensions and barriers between China and the U.S., our Thai plant is expected to benefit from the shift of orders from the Chinese region, offering a significant geographical advantage.

With the rise of global logistics automation and the unmanned aerial vehicle (UAV) industry, the Thailand facility will serve as an important manufacturing and logistics hub for the Company to supply cross-industry motor components to ASEAN markets and global customers.

1.3.5 Public Listing

To accommodate the expansion of our business scale, the Company has successfully completed its IPO (Initial Public Offering) and is now publicly listed. We continue to attract external capital and strategic investors, while also bringing in professional managers to further enhance corporate governance.

1.4 Business Strategy:

Taiwan is located on the front lines of the geopolitical conflict with China and is also facing the challenges of global supply chain restructuring. Fortunately, our subsidiary in Thailand, Jin Xing, is located in the "Eastern Economic Corridor" of Thailand, with a complete production process and supply chain. The local political and economic environment is also friendly to foreign investments and is not on the list of regions affected by trade barriers in Europe and the U.S. This allows us to avoid these severe challenges. Currently, major automotive manufacturers and their supply chains are rapidly establishing factories in Thailand, creating a hub for automotive components. Our company has leveraged this favorable geographical location to market globally.

In addition, as the automotive repair market continues to demand higher precision and quality, we have also strengthened our quality and management measures to ensure our

product competitiveness:

1.4.1 Strengthening Management Functions:

We ensure that the policies implemented by the company are effectively executed, and based on this, we evaluate the performance of each department, improving the efficiency of management systems. We also establish operational processes to achieve comprehensive quality management, eliminate internal waste, and enhance our ability to generate "management assets."

1.4.2 Quality Control:

We have established a comprehensive quality control process, including quality inspection and control from raw material procurement through the production process. This reduces internal defect rates and external customer complaints, ensuring the stability of product and service quality. In turn, this enhances customer satisfaction, strengthens the loyalty of existing customers, and builds long-term good relationships. Additionally, we have strengthened the training of quality control personnel to ensure they possess strong quality awareness and skills.

1.4.3 Supply Chain Management:

We have strengthened our management of suppliers, building good cooperative relationships with them. We require suppliers to meet high-quality standards and have established a supplier evaluation system to ensure the stability and reliability of the quality of the parts and materials provided. Expanding into New Markets.

As the Company expands its development scope into high-precision fields such as UAVs and AGVs, it also collaborates with suppliers to jointly develop specialized magnetic materials and precision bearings, thereby enhancing the resilience of core components.

1.4.4 Expanding New Markets:

We maintain good interactions with Tier 1 manufacturers, striving to become their best partners. In response to the future trends of the automotive industry towards lightweighting, electronics, and electrification, we continuously meet customer demands for new technologies and design and develop various products accordingly.

At the same time, the Company is actively expanding into cross-industry markets by applying its motor technologies to unmanned aerial vehicles (UAVs), automated guided vehicles/autonomous mobile robots (AGVs/AMRs), and a wide range of automotive motor components, thereby building diversified growth momentum.

We also focus on expanding into Central and South America as key new markets to mitigate the alternating peak and off-peak seasons in the Northern and Southern hemispheres, maintaining growth momentum and expanding our operational scale.

1.5 Impact of External Competitive Landscape, Regulatory Environment, and Macroeconomic Conditions.

(1) Impact of the External Competitive Environment

The Company's primary competitors are manufacturers from Mainland China and a few from Taiwan. In response to global supply chain restructuring and geopolitical risks, we

continue to strengthen product quality and drive technological innovation, offering high-performance thermal management solutions. Our major clients are predominantly leading distributors of automotive components in Europe and the United States. With quality certifications and endorsements from key clients, we have maintained our competitiveness and continued growth despite the ongoing global trade tensions.

The Company is strengthening its competitive barriers by leveraging cross-sector development of UAV motors and intelligent logistics AGV components, thereby differentiating itself from traditional thermal management manufacturers through technological advancement.

(2) Impact of the Regulatory Environment

As a specialized supplier of automotive cooling motor fans, our manufacturing processes do not produce exhaust gases or wastewater. The scrap materials generated are handled by certified recycling vendors for reuse. We have obtained ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certifications, and we strictly comply with all government environmental and occupational safety regulations.

In recent years, our motor R&D has increasingly focused on energy conservation and carbon reduction. Our new products can connect with vehicle electronic control units (ECUs) to optimize energy efficiency, meeting tightening global environmental regulations and aligning with the development trends of hybrid and electric vehicles. This “energy-efficient, high-efficiency, and high-power-density” motor technology fully meets the stringent requirements of UAVs for extended endurance and AGVs for low energy consumption, enabling the Company to effectively enter related high-end application markets.

(3) Impact of the Overall Business Environment

Taiwan’s automotive parts industry is characterized by low-volume, high-mix and flexible manufacturing capabilities. With continuous investments in R&D and production technology, the industry has built strong international competitiveness, attracting foreign distributors to centralize procurement in Taiwan. Under our strategic specialization approach, the Company has established headquarters and production bases in Pingzhen, Sanxia, and Chonburi, Thailand, strengthening our global supply chain deployment.

The United States remains our primary sales region. The U.S. aftermarket (AM) for vehicle repair and parts is projected to grow at a compound annual growth rate (CAGR) of 4.8% from 2023 to 2027, reaching USD 470 billion by 2027. Amid the surge in global e-commerce logistics demand for UAV and AGV components, the Company is leveraging this overarching trend as a foundation, and combining it with its established automotive network to expand into the emerging intelligent logistics components market.

1.6 Looking to the Future:

The global automotive industry is undergoing structural transformation. The driving forces behind market demand and technological development are not only the increased requirements for environmental protection and energy efficiency but also the restructuring of global supply chains and markets:

Mature Markets (e.g., North America, Europe, Japan): While new car sales are slowing, the overall vehicle ownership continues to expand, and the average age of vehicles is increasing. In the U.S., the average age of vehicles has reached 12.6 years (an increase of one year since 2017).

Emerging Markets (e.g., Southeast Asia, South America, and the Middle East): The number of vehicles is still growing rapidly, and these regions will become the major markets for vehicle repair and replacement parts in the future.

The increase in U.S. tariffs on automotive parts from Mexico and China has led to a widening price gap between AM (aftermarket) and OE (original equipment) parts, benefiting the growth of the AM market. Our company continues to strengthen its production and market presence in Thailand (ASEAN).

The growth in the number of vehicles, the increasing average vehicle age, and the restructuring of the global supply chain will continue to drive the demand for our products in the market.

1.6.1 Short-Term Development Strategy:

Focus on brushless motor cooling fan technology, utilizing brushless DC motors (BLDC combined with LIN Bus communication protocols), to meet the needs of new-generation gasoline vehicles, hybrid vehicles, and electric vehicles. We continue to improve the energy efficiency, durability, and intelligent control of brushless fans to meet energy-saving and environmental protection requirements.

Accelerate cross-industry motor prototyping, focusing on electric motors for small commercial UAVs and light-duty AGV drive motors, and complete initial product certification and field testing.

Deepen and expand the aftermarket (AM) by developing dedicated cooling fans for various vehicle types, such as refrigerated trucks, logistics vehicles, trucks, and tour buses. At the same time, further expand into the Original Equipment Service (OES) market to enhance the influence and visibility of our products.

1.6.2 Medium-Term Development Strategy:

Promote smart manufacturing by introducing automated production equipment and MES (Manufacturing Execution System) technologies to improve production efficiency and quality stability. We will also leverage big data analytics to optimize production planning and equipment maintenance, reducing production costs and downtime.

Expand our global market presence, deepening our foothold in North America and Europe, while expanding into ASEAN (Thailand, Indonesia, Vietnam) and South American markets to reduce reliance on any single market.

Advance the large-scale production of cross-industry motor applications, achieving mass production and shipment of UAV motors and industrial AGV motor components, and establishing them as a second pillar of the Company's revenue.

1.6.3 Long-Term Development Strategy:

Expand into the electric vehicle (EV) and new energy markets, accelerating the

development of EV products and enhancing battery thermal management, motor cooling, and smart thermal solutions to increase the penetration rate of electric vehicle products.

Strengthen OEM partnerships by deepening direct participation in the supply chains of electric and hybrid vehicles with automotive OEMs, thereby enhancing value-added contributions. At the same time, the Company is evaluating the manufacturing potential of other cross-sector EV components, such as high-efficiency electronic water pumps for electric vehicles, power-operated door latch motors, and key motor systems for automated logistics equipment.

Diversify global business and supply chains to reduce reliance on North America and Europe, expand into Southeast Asia and South America, and optimize production plans to mitigate the impact of regional market fluctuations, enhancing operational flexibility. The Company is committed to becoming a globally competitive “full-scenario electromechanical systems provider,” expanding from ground-based automotive thermal management into core power systems for aerial (UAV) applications and automated logistics (AGV) solutions.

The automotive market is moving toward intelligent, electric, and globally restructured supply chains, and the demand for brushless motor cooling fans will continue to grow. Our company will focus on technology upgrades, smart manufacturing, market expansion, and global layout. We aim to gain advantages in both the AM and OEM markets, drive the development of electric vehicle thermal management technologies, increase product value-added, and ensure sustainable development for the company. We are poised to seize the next wave of transformation and upgrade opportunities in the automotive industry.

Chairman : SHIH, CHUN-CHIN

Manager: SHIH, CHUN-CHIN

Accounting Supervisor: LIAO,YI-LIN

II 、Corporate Governance Report

2.1 Information on directors, supervisors, President, Vice President, Junior VP, and officers of departments and branches

2.1.1 Director and Supervisors Information

1. Director and Supervisors Information :

March 31, 2026; Unit: Thousand shares; %

Title	Nationality or Place of Registration	Name	Gender/ Age	Date elected	Term of Office	Date first elected or appointed	Shareholding when elected or appointed		Current shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in the Company and other companies now	Spouse or relatives within the Second degree of kinship who are officers, directors, or supervisors of the Company			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Job title	Name	Relationship	
Chairman (note1)	R.O.C	Shih, Chun-Chin	Male 61~70	2024/2/5	3years	2009/10/30	9,683	16.14	6,811	10.53	1,634	2.53	11,498	17.78	College of Management, National United University EMBA, National Taipei University of Technology	President, King Shing Industrial Co., Ltd The Chairman concurrently serving as the President., King Shing Automobile Parts Co., Ltd. Chairman, QLAO ZHONG INVESTMENT CO., LTD. Chairman, YONG GUANG INVESTMENT CO., LTD.	Director	Shih,Meng-Chin	Father and Daughter	—
							—	—	—	—	—	—	—	—			Deputy General Manager	Shih,Meng-Hsin	Father and Daughter	—
Director	R.O.C	Ku, Chi-Hui	Male 51~60	2024/2/5	3years	2009/10/30	7,500	12.50	7,477	11.56	—	—	3,723	5.76	Department of Electronic Engineering, St. John's University	Deputy Manager, King Shing Industrial Co., Ltd Chairman, CHU YUN CO., LTD.	Director	Shao,Zhong-Ping	Spouses of Sisters	—
	R.O.C	Legal Representative : CHU YUN CO., LTD.	—	2024/2/5	3years	2024/2/5	3,723	6.21	3,723	5.76	—	—	—	—	—	—	—	—	—	—
Director	R.O.C	Shih, Meng-Chin	Female 31~40	2024/2/5	3years	2009/10/30	560	0.93	1,325	2.05	—	—	630	0.97	Department of Finance and Taxation, Aletheia University EMBA, National Taipei University of Technology	Vice President, King Shing Industrial Co., Ltd Chairman, YING YI INVESTMENT CO., LTD.	Chairman	Shih,Chun-Chin	Father and Daughter	—
	R.O.C	Legal Representative : QLAO ZHONG INVESTMENT CO., LTD.	—	2024/2/5	3years	2024/2/5	11,233	18.72	11,085	17.14	—	—	—	—	—	—	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender/ Age	Date elected	Term of Office	Date first elected or appointed	Shareholding when elected or appointed		Current shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in the Company and other companies now	Spouse or relatives within the Second degree of kinship who are officers, directors, or supervisors of the Company			Remarks	
							Shares	%	Shares	%	Shares	%	Shares	%			Job title	Name	Relationship		
Director	R.O.C	Shao, Zhong-Ping	Male 51~60	2024/2/5	3years	2009/10/30	—	—	—	—	7,476	11.56	3,870	5.98	Department of Applied Mathematics , Fu Jen Catholic University Institute of Mathematics, Fu Jen Catholic University Institute of Information Assistant, Academia Sinica Computer Center Technician and Adjunct Lecturer, Huafan University Adjunct Lecturer, National Hsinchu University of Education Adjunct Lecturer, Tungnan University	Chairman, SHENG JI CHANG INTERNATIONAL CO., LTD.	Director	Ku,Chi-Hui	Spouse's Brother	—	
	R.O.C	Legal Representative : SHENG JI CHANG INTERNATIONAL CO., LTD.	—	2024/2/5	3years	2024/2/5	3,870	6.45	3,870	5.98	—	—	—	—	—	—	—	—	—	—	—
Director	R.O.C	LIU, Yen-Ti	Male 51~60	2024/2/5	3years	2023/8/11	—	—	—	—	—	—	150	0.23	Department of Business Administration, Chaoyang University of Technology	The Chairman concurrently serving as the President., Cryomax Cooling System Corp. Director, Shi-Yuan Investment Company President, Cryomax U.S.A. Inc. Director, Crohan International Ltd. Director, Cryomax Internation Ltd. Director, Coolmax-way Auto Parts Co., Ltd. Director, Nanjing Cryomax Auto Parts Co., Ltd.	—	—	—	—	—
	R.O.C	Legal Representative : JIN JIE INVESTMENT CO., LTD.	—	2024/2/5	3years	2024/2/5	150	0.25	150	0.23	—	—	—	—	—	—	—	—	—	—	—
Independent Director	R.O.C	Liu, Teng-Fa	Male 71~80	2024/2/5	3years	2024/2/5	—	—	—	—	—	—	—	—	Institute of Accounting, Soochow University	Certified Public Accountant (CPA), Yuguan Certified Public Accountants Co., Ltd. Supervisor, Eco Energy Corporation Director, Guangkai Corporation Limited Supervisor, Mingqu Energy Engineering Co., Ltd. Director, Guangxin Investment Co., Ltd. Director, Guangyi Development Enterprise Co., Ltd. Director, Oumin Enterprise Co., Ltd.	—	—	—	—	—
Independent Director	R.O.C	Tsai, Jung-Fa	Male 51~60	2024/2/5	3years	2024/2/5	—	—	—	—	—	—	—	—	Doctor of Information Management, National Chiao Tung University Master of Information Management, National Chiao Tung University Department of Computer Science, Tunghai University	Professor, National Taipei University of Technology, Taipei Tech Independent Director, Rayzher Industrial Co.,Ltd.	—	—	—	—	—
Independent Director	R.O.C	Wang, Chi-Chuan	Male 61~70	2024/2/5	3years	2024/2/5	—	—	—	—	—	—	—	—	Doctor of Mechanical Engineering, National Chiao Tung University Master of Mechanical Engineering, National Chiao Tung University Bachelor of Mechanical Engineering, National Chiao Tung University	Professor, National Yang Ming Chiao Tung University Independent Director, Cryomax Cooling System Corp. Independent Director, Bestec Power Electronics Co., Ltd.	—	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender/ Age	Date elected	Term of Office	Date first elected or appointed	Shareholding when elected or appointed		Current shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in the Company and other companies now	Spouse or relatives within the Second degree of kinship who are officers, directors, or supervisors of the Company			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Job title	Name	Relationship	
															Senior Researcher, Industrial Technology Research Institute Institute of Energy and Environment					
Independent Director	R.O.C	Chiu, Kuo-Wang	Male 61~70	2024/2/5	3years	2024/2/5	-	-	-	-	-	-	-	-	Department of Law, Fu Jen Catholic University Managing Attorney, Kuo-Wang Law Firm	-				

Note1 : The reasons, rationale, necessity, and measures taken for the company's chairman concurrently serving as the president are explained as follows :

The chairman of our company concurrently serves as the president to enhance operational efficiency and decision-making agility, effectively linking board members to participate in company decisions at any time and fostering consensus to facilitate the implementation of board resolutions.

2. Major shareholders of corporate shareholders :

March 31, 2026

Corporate shareholders	Major shareholders of corporate shareholders	%
CHU YUN CO., LTD.	Ku, Chi-Hui	72.18
	Ku, Jia-Wei	13.90
	Ku, En-Wei	13.90
	Huang, Li-Chun	0.02
QLAO ZHONG INVESTMENT CO., LTD.	YING YI INVESTMENT CO., LTD.	30.06
	YING ZHU INVESTMENT CO., LTD.	30.06
	WAN YING INVESTMENT CO., LTD.	30.06
	Shih, Chun-Chin	9.64
	YONG GUANG INVESTMENT CO., LTD.	0.14
	Hsieh, Yu-Yun	0.04
SHENG JI CHANG INTERNATIONAL CO., LTD.	Shao, Zhong-Ping	53.12
	Ku, Ying-Chen	20.26
	Shao, Chi-Wei	13.31
	Shao, Chih-Ying	13.31
JIN JIE INVESTMENT CO., LTD.	Liu, Chieh-Yu	40.00
	Liu, Jin-Ting	40.00
	LIU, Yen-Ti	10.00
	Hsu, Mei-Zhi	10.00

3. The primary shareholder(s) of corporate shareholders who are themselves corporations, and their primary shareholders :

March 31, 2026

Corporate name	Principal shareholders of the corporate name	%
YING YI INVESTMENT CO., LTD.	Shih, Meng-Chin	99.72
	Shih, Meng-Hsin	0.07
	Shih, Yi-Tai	0.07
	Shih, Chun-Chin	0.07
	Hsieh, Yu-Yun	0.07
YING ZHU INVESTMENT CO., LTD.	Shih, Meng-Hsin	99.86
	Shih, Meng-Chin	0.07
	Shih, Yi-Tai	0.07
	Shih, Chun-Chin	0.07
	Hsieh, Yu-Yun	0.07
WAN YING INVESTMENT CO., LTD.	Shih, Yi-Tai	99.86
	Shih, Meng-Chin	0.07
	Shih, Meng-Hsin	0.07
	Shih, Chun-Chin	0.07
	Hsieh, Yu-Yun	0.07
YONG GUANG INVESTMENT CO., LTD.	Shih, Chun-Chin	50.00
	Hsieh, Yu-Yun	50.00

4. The expertise and independence of directors

Job title	Name	Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman	Shih, Chun-Chin	Detailed educational and professional background (3.2.1) Director Information ◦ There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act.	There is no occurrence of any of the circumstances as stated in Article 26-3 of the Securities and Exchange Act.	—
Director	Ku, Chi-Hui	Detailed educational and professional background (3.2.1) Director Information ◦ There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act.	There is no occurrence of any of the circumstances as stated in Article 26-3 of the Securities and Exchange Act.	—
Director	Shih, Meng-Chin	Detailed educational and professional background (3.2.1) Director Information ◦ There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act.	There is no occurrence of any of the circumstances as stated in Article 26-3 of the Securities and Exchange Act.	—
Director	Shao, Zhong-Ping	Detailed educational and professional background (3.2.1) Director Information ◦ There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act.	There is no occurrence of any of the circumstances as stated in Article 26-3 of the Securities and Exchange Act.	—
Director	LIU, Yen-Ti	Detailed educational and professional background (3.2.1) Director Information ◦ There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act.	There is no occurrence of any of the circumstances as stated in Article 26-3 of the Securities and Exchange Act.	—
Independent Director	Liu, Teng-Fa	Detailed educational and professional background (3.2.1) Director Information ◦ There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act.	All independent directors of the Company comply with the independence regulations specified in Article 3 of the "Regulations Governing the Appointment of Independent Directors of Public Companies and Compliance Matters", including but not limited to the following: neither the director themselves, their spouse, nor relatives within the second degree of kinship hold positions as directors, supervisors, or employees of the Company or its related enterprises; they do not hold any shares of the Company; they do not serve as directors, supervisors, or employees of companies with specific relationships to the Company; and they have not received remuneration exceeding 500,000 in the past two years for providing business, legal, financial, accounting, or other services to the Company or its related enterprises.	—

Job title	Name	Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Independent Director	Tsai,Jung-Fa	Detailed educational and professional background (3.2.1) Director Information ° There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act.	All independent directors of the Company comply with the independence regulations specified in Article 3 of the "Regulations Governing the Appointment of Independent Directors of Public Companies and Compliance Matters", including but not limited to the following: neither the director themselves, their spouse, nor relatives within the second degree of kinship hold positions as directors, supervisors, or employees of the Company or its related enterprises; they do not hold any shares of the Company; they do not serve as directors, supervisors, or employees of companies with specific relationships to the Company; and they have not received remuneration exceeding 500,000 in the past two years for providing business, legal, financial, accounting, or other services to the Company or its related enterprises.	1
Independent Director	Wang,Chi-Chuan	Detailed educational and professional background (3.2.1) Director Information ° There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act.	All independent directors of the Company comply with the independence regulations specified in Article 3 of the "Regulations Governing the Appointment of Independent Directors of Public Companies and Compliance Matters", including but not limited to the following: neither the director themselves, their spouse, nor relatives within the second degree of kinship hold positions as directors, supervisors, or employees of the Company or its related enterprises; they do not hold any shares of the Company; they do not serve as directors, supervisors, or employees of companies with specific relationships to the Company; and they have not received remuneration exceeding 500,000 in the past two years for providing business, legal, financial, accounting, or other services to the Company or its related enterprises.	2
Independent Director	Chiu,Kuo-Wang	Detailed educational and professional background (3.2.1) Director Information ° There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act.	All independent directors of the Company comply with the independence regulations specified in Article 3 of the "Regulations Governing the Appointment of Independent Directors of Public Companies and Compliance Matters", including but not limited to the following: neither the director themselves, their spouse, nor relatives within the second degree of kinship hold positions as directors, supervisors, or employees of the Company or its related enterprises; they do not hold any shares of the Company; they do not serve as directors, supervisors, or employees of companies with specific relationships to the Company; and they have not received remuneration exceeding 500,000 in the past two years for providing business, legal, financial, accounting, or other services to the Company or its related enterprises.	—

5. Board diversity and independence

(1) Board diversity

Our company respects and advocates for a policy of board diversity to strengthen corporate governance and promote the healthy development of the board's composition and structure. We believe that a diverse policy helps enhance the overall performance of the company. Board members are selected based on their merits, and appropriate diversity policies are formulated based on the company's operations, business model, and development needs, including basic criteria and values, possessing professional knowledge and skills, and generally having the knowledge, skills, and qualities necessary for the execution of duties. In order to achieve the ideal goal of corporate governance, our company assesses the overall capabilities of the board in accordance with Article 20 of the 'Corporate Governance Best Practice Principles for Listed and OTC Companies', as follows :

Diversity	Basic composition				Required abilities							
	Nationality	Gender	Age	An employee of the company	Operational judgement	Accounting & finance analysis	Operation management	Crisis handling	Industrial knowledge	International market view	Leadership	Decision-making ability
Name												
Shih, Chun-Chin	R.O.C	Male	61-70	√	√	√	√	√	√	√	√	√
Ku, Chi-Hui	R.O.C	Male	51-60	√	√	—	√	√	√	√	√	√
Shih, Meng-Chin	R.O.C	Female	31-40	√	√	√	√	√	√	√	√	√
Shao, Zhong-Ping	R.O.C	Male	51-60	—	√	—	√	√	√	√	√	√
LIU, Yen-Ti	R.O.C	Male	51-60	—	√	√	√	√	√	√	√	√
Liu, Teng-Fa	R.O.C	Male	71-80	—	√	√	√	√	—	√	√	√
Tsai, Jung-Fa	R.O.C	Male	51-60	—	√	√	√	√	√	√	√	√
Wang, Chi-Chuan	R.O.C	Male	61-70	—	√	—	√	√	√	√	√	√
Chiu, Kuo-Wang	R.O.C	Male	61-70	—	√	—	√	√	—	√	√	√

Our company values diversity and gender balance within the Board of Directors. The current Board consists of 9 members, including 1 female director, accounting for approximately 11% of the total. To enhance the diversity and decision-making quality of the Board, we will continue striving to increase the number of female directors, with the aim of gradually improving gender representation.

(2) Board independence

The Company's Board of Directors consists of nine members, including four independent directors, representing 44.44% of the total board seats. More than half of the board members are not spouses or relatives within the second degree of kinship; accordingly, there are no circumstances as set forth in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

2.1.2 Information on President, Vice President, Junior VP, and officers of departments and branches

March 31, 2026; Unit: Thousand shares; %

Job title	Nationality	Name	Gender	Date appointed	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in the Company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the Company			The status of executives obtaining employee stock options certificates	Remarks
					Shares	%	Shares	%	Shares	%			Job title	Name	Relationship		
Chairman & General Manager	R.O.C	Shih,Chun-Chin	Male	3/28/1989	6,811	10.53	1,634	2.53	11,498	17.78	College of Management, National United University EMBA, National Taipei University of Technology	Chairman, YONG GUANG INVESTMENT CO., LTD. Chairman, QLAO ZHONG INVESTMENT CO., LTD.	Vice President Vice President	Shih,Meng-Chin Shih,Meng-Hsin	Father and Daughter Father and Daughter		(Note1)
Vice President	R.O.C	Shih,Meng-Chin	Female	3/1/2019	1,325	2.05	—	—	630	0.97	Department of Finance and Taxation, Aletheia University EMBA, National Taipei University of Technology	Chairman, YING YI INVESTMENT CO., LTD.	Chairman Vice President	Shih,Chun-Chin Shih,Meng-Hsin	Father and Daughter Sisters	—	—
Vice President	R.O.C	Shih,Meng-Hsin	Female	3/1/2019	1,347	2.08	—	—	702	1.09	Master of Arts in Art Museum and Gallery Studies of University of Leicester EMBA, National Taipei University of Technology	Chairman, YING ZHU INVESTMENT CO., LTD.	Chairman Vice President	Shih,Chun-Chin Shih,Meng-Chin	Father and Daughter Sisters		—
Accounting Manager and Acting Finance Manager	R.O.C	Liao Yi-Lin	Female	6/1/2025	120	0.19	—	—	—	—	Department of Finance, National Chung Hsing University Assistant Manager, KPMG Eternal Materials Co., Ltd.- Section Manager King Shing Industrial Co., Ltd.- Accounting Specialist	—	—	—	—	—	—
Corporate Governance Officer	R.O.C	Chen,Chiao-Ting	Female	4/8/2024	10	0.02	—	—	—	—	Takming University-Department of Public Finance and Taxation Kingly Precision Industrial Co., Ltd.- Accounting Specialist	—	—	—	—	—	—
Head of Internal Audit	R.O.C	Wei,Shu-Fen	Female	8/28/2023	106	0.16	—	—	—	—	National Taipei University of Business- Department of Finance King Shing Industrial Co., Ltd.-Accounting Section Manager	—	—	—	—	—	—

Job title	Nationality	Name	Gender	Date appointed	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in the Company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the Company			The status of executives obtaining employee stock options certificates	Remarks
					Shares	%	Shares	%	Shares	%			Job title	Name	Relationship		
Sales Manager	R.O.C	Lin, Chia-Chi	Female	1/4/2016	209	0.32	-	-	-	-	New York University-M.S. in Organizational Behavior, Systems, and Analytics Fu Jen Catholic University-Department of Business Administration King Shing Industrial Co., Ltd.-Assistant Sales Manager	-	-	-	-	-	-
R&D Manager	R.O.C	Chou, Chin-Sheng	Male	4/1/2004	225	0.35	-	-	-	-	National Taipei University of Business-Department of Applied Business King Shing Industrial Co., Ltd.-R&D Section Manager	-	-	-	-	-	-

Note1 : The reasons, rationale, necessity, and measures taken for the company's chairman concurrently serving as the president are explained as follows :

The chairman of our company concurrently serves as the president to enhance operational efficiency and decision-making agility, effectively linking board members to participate in company decisions at any time and fostering consensus to facilitate the implementation of board resolutions.

Note2 : Mr. Lai Tsung-Yen, the Company's Chief Financial Officer concurrently serving as Accounting Officer, resigned on January 6, 2026. Ms. Liao Yi-Lin assumed the position of Acting Accounting Officer on the same date and was subsequently approved by the Board of Directors on March 11, 2026 to serve as the Company's Accounting Officer.

2.2 Remuneration paid to directors, supervisors, President, and Vice President in the most recent year

2.2.1 Remuneration for Directors

December 31, 2025 ; Unit : NT\$ thousand

Job title	Name	Directors' remuneration								A, B, C, and D as a % of the net income(%)		Remuneration for a concurrent position as an employee								A, B, C, D, E, F and G as a % of the net income(%)		Remuneration from invested enterprises other than subsidiaries or from the parent company
		Baseremuneration (A)		Severance and pension (B)		Remuneration for directors (C)		Business practice fees (D)				Salary, bonus, & allowance (E)		Severance and pension (F)		Remuneration for employee (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial statements	
Chairman	Shih,Chun-Chin																					
Director	Ku,Chi-Hui																					
Director	Shih,Meng-Chin																					
Director	Shao,Zhong-Ping																					
Director	LIU,Yen-Ti																					
Independent Director	Liu,Teng-Fa	5,525	5,525	—	—	—	—	—	—	4.92	4.92	7,126	8,421	175	175	226	—	226	—	13,052 11.62%	14,347 12.77%	—
Independent Director	Tsai,Jung-Fa																					
Independent Director	Wang,Chi-Chuan																					
Independent Director	Chiu,Kuo-Wang																					

Note 1 : Please describe the policy, system, standard, and structure for the remuneration for independent directors, and the correlation to the amount of remuneration in terms of their responsibilities, risks, time spent, and other factors: : The director's remuneration includes a fixed monthly salary and director's fees as specified in the company's articles of incorporation. It is determined based on the current operational status and scale of the company, while also considering industry standards. The remuneration is implemented in accordance with the company's director and functional committee member remuneration policy.

Note 2 : In addition to the disclosed amounts in the above table, the directors of the Company provided services to all companies included in the financial statements during the most recent fiscal year (such as serving as consultants to the parent company/all companies included in the financial statements/invested enterprises who are not employees), receiving a total remuneration of 430 thousand yuan.

Remuneration ranges

The ranges of remuneration paid to each director of the company	Director Name			
	Total Remuneration for the First Four Items (A+B+C+D)		Total Remuneration for the First Seven Items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements H	The Company	All companies in the financial statements I
Below NT\$1,000,000	Ku,Chi-Hui、Shih,Meng-Chin、Shao,Zhong-Ping、LIU,Yen-Ti、Liu,Teng-Fa、Tsai,Jung-Fa、Wang,Chi-Chuan、Chiu,Kuo-Wang	Ku,Chi-Hui、Shih,Meng-Chin、Shao,Zhong-Ping、LIU,Yen-Ti、Liu,Teng-Fa、Tsai,Jung-Fa、Wang,Chi-Chuan、Chiu,Kuo-Wang	Shao,Zhong-Ping、LIU,Yen-Ti、Liu,Teng-Fa、Tsai,Jung-Fa、Wang,Chi-Chuan、Chiu,Kuo-Wang	Shao,Zhong-Ping、LIU,Yen-Ti、Liu,Teng-Fa、Tsai,Jung-Fa、Wang,Chi-Chuan、Chiu,Kuo-Wang
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Shih,Chun-Chin	Shih,Chun-Chin	Ku,Chi-Hui	Ku,Chi-Hui
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	—	—	Shih,Meng-Chin	Shih,Meng-Chin
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	—	—	Shih,Chun-Chin	—
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	—	—	—	Shih,Chun-Chin
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	—	—	—	—
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) ~ US\$100,000,000 (exclusive)	—	—	—	—
Over NT\$100,000,000 (inclusive)	—	—	—	—
Total	9 persons	9 persons	9 persons	9 persons

2.2.2 Remuneration for Supervisors: Not applicable.

2.2.3 Remuneration paid to the President and Vice President

December 31, 2025 ; Unit : NT\$ thousand

Job title	Name	Salary(A) (Note 1)		Severance and pension (B)		Bonus and allowance (C)		Remuneration for employees (D)				A, B, C and D as a % of the net income (%)		Remuneration from invested enterprises other than subsidiaries or from the parent company (E)
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Shih,Chun-Chin	4,551	7,798	141	141	2,015	2,288	316	—	316	—	7,023 6.25%	10,543 9.38%	—
Vice President	Shih,Meng-Chin													
Vice President	Shih,Meng-Hsin													

Note 1 : The salaries and position allowances of the President or Vice President.

Remuneration ranges

Remuneration ranges paid to each President and Vice President of the company	Name of President and Vice President	
	The Company	All companies in the financial statements
Below NT\$1,000,000	Shih,Meng-Hsin –	–
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	–	–
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Shih,Meng-Chin	Shih,Meng-Hsin 、 Shih,Meng-Chin
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Shih,Chun-Chin	–
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	–	Shih,Chun-Chin
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	–	–
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	–	–
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	–	–
NT\$50,000,000 (inclusive) ~ US\$100,000,000 (exclusive)	–	–
Over NT\$100,000,000 (inclusive)	–	–
Total	3 persons	3 persons

2.2.4 The name of the managerial officers who receive employee remuneration and the respective amount.

December 31, 2025 ; Unit : NT\$ thousand

Job title		Name	Stock amount	Cash amount	Total	Ratio of Total amount to net income (%)
Managerial Officers	President	Shih, Chun-Chin	—	286	286	0.25
	Vice President	Shih, Meng-Chin				
	CFO&CAO	Lai, Tsung-Yen				
	Corporate Governance Officer	Chen, Chiao-Ting				

2.2.5 The comparison and analysis of the total remuneration of directors, supervisors, President, and Vice President of the company and all companies included in the consolidated financial statements in the past two years as a percentage of the individual or separate financial report's post-tax net income, along with an explanation of the policy, standards, and composition of remuneration, the procedure for setting remuneration, and the correlation with operational performance and future risks.

1. The analysis of the total remuneration of directors, supervisors, President, and Vice President of this company and all companies included in the consolidated financial statements as a percentage of the post-tax net income of the individual or separate financial reports.

Unit : %

Item \ Annual	2024		2025	
	Percentage of total remuneration to post-tax net income		Percentage of total remuneration to post-tax net income	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
Directors	7.40	8.13	11.62	12.77
President & Vice President	3.83	6.24	6.25	9.38

2. The policy, standards, and composition of remuneration, the procedure for setting remuneration, and the correlation with operational performance and future risks.

(1) Directors 、 Supervisor

The company's policy on remuneration for directors and supervisors is clearly stipulated in the company's articles of association. After the remuneration distribution plan is approved by the board of directors, it is reported to the shareholders' meeting for approval. The payment of remuneration to directors and

supervisors is based on their level of involvement in the company's operations and their contribution value.

(2) President & Vice President

The remuneration for the President and Vice President of the company includes base salary, retirement benefits, allowances, bonuses, and employee compensation. It is determined based on factors such as the scope of responsibilities, achievement of company operational goals, individual performance, and qualifications and experience, while also considering salary levels for similar positions in the market.

In summary, the amount of remuneration paid by the company is based on the individual's actual operational performance and value contribution recognized by the board of directors, and is benchmarked against industry standards. This already includes consideration of adjustment mechanisms for potential operational risks in the future, aiming to achieve a balance between motivation and risk management.

2.3 Corporate Governance Operations Situation

2.3.1 Information on the Operation of the Board of Directors

The board of directors held 7 meetings in the most recent year to the date of publication. The attendance of directors and supervisors is as follows:

Title	Name	Actual Attendance (Sessions)	Number of Proxy Attendances	Actual Attendance Rate (%)	Notes
Chairman	Shih,Chun-Chin	7	0	100	Date of re-election/re-election: 2024.02.05 Should attend 7 times
Director	QLAO ZHONG INVESTMENT CO., LTD. Legal Representative : SHIH, MENG- CHIN	5	2	71	Taking office on 2024.02.05 Should attend 7 times
Director	CHU YUN CO., LTD. Legal Representative : KU, CHI-HUI	6	1	86	Taking office on 2024.02.05 Should attend 7 times
Director	SHENG JI CHANG INTERNATIONAL CO., LTD. Legal Representative : SHAO, ZHONG-PING	7	0	100	Taking office on 2024.02.05 Should attend 7 times
Director	JIN JIE INVESTMENT CO., LTD. Legal Representative : LIU, YEN-TI	5	1	71	Taking office on 2024.02.05 Should attend 7 times
Independent Director	Tsai,Jung-Fa	7	0	100	Taking office on 2024.02.05 Should attend 7 times
Independent Director	Chiu,Kuo-Wang	7	0	100	Taking office on 2024.02.05 Should attend 7 times
Independent Director	Liu,Teng-Fa	5	2	71	Taking office on 2024.02.05 Should attend 7 times
Independent Director	Wang,Chi-Chuan	6	1	86	Taking office on 2024.02.05 Should attend 7 times

Other Matters to be Recorded:

1. If the operation of the Board of Directors includes any of the following situations, the date, session, agenda content, all independent directors' opinions, and the company's handling of these opinions should be stated:

(1) Matters listed under Article 14-3 of the Securities and Exchange Act: Not applicable. The company has established an Audit Committee and complies with Article 14-5 of the Securities and Exchange Act.

(2) Other resolutions, apart from the aforementioned, that were opposed or reserved by independent directors with records or written statements: None.

2. Implementation of Directors' Recusal for Conflict-of-Interest Matters: Directors recused themselves from participating in the discussion and voting on matters relating to their own remuneration.

Name	Proposal Content	Reason for Recusal	Participation in Voting
Shih,Chun-Chin SHIH, MENG-CHIN	Proposed distribution of cash bonuses to managerial officers for FY2024	Interested party to the proposal	Recused in accordance with applicable laws and did not participate in voting
Shih,Chun-Chin	Proposed salary adjustments for the Chairman and managerial officers of subsidiaries	Interested party to the proposal	Recused in accordance with applicable laws and did not participate in voting
Shih,Chun-Chin SHIH, MENG-CHIN	Proposed year-end bonuses for managerial officers for FY2025	Interested party to the proposal	Recused in accordance with applicable laws and did not participate in voting

3. TWSE/TPEX-listed companies shall disclose information regarding the evaluation cycle and period, evaluation scope, methods, and contents of the board's self-evaluation (or peer evaluation), and fill out Attachment Table 2(2) - Implementation Status of Board Performance Evaluation:

The Company revised its Board Performance Evaluation Guidelines in FY2024. The performance evaluation for FY2025 was completed by the end of the first quarter of FY2026. The implementation status of the Board evaluation is disclosed as follows:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Conducted annually	January 1, 2025 to December 31, 2025	Full Board of Directors	Board self-assessment	Board performance evaluation: 1. Degree of participation in company operations 2. Enhancement of board decision-making quality 3. Board composition and structure 4. Director selection and continuous professional development 5. Internal control
		Individual Board Members	Self-assessment by directors	Individual director performance evaluation: 1. Understanding of company goals and missions 2. Awareness of directors' duties 3. Degree of participation in company operations 4. Internal relationship management and communication 5. Professional competence and continuing education 6. Internal control
		Functional Committees	Functional committee self-assessment	Functional committee performance evaluation: 1. Degree of participation in company operations 2. Understanding of committee responsibilities 3. Enhancement of committee decision-making quality 4. Committee composition and member selection 5. Internal control

4. Objectives and evaluation of performance for enhancing the board's functions in the current and most recent fiscal year (e.g., establishment of the Audit Committee, enhancement of information transparency):

- (1) The operation of the Board of Directors is conducted in accordance with the "Rules of Procedure for Board Meetings." Implementation has been smooth. The heads of finance and audit departments regularly report to the Board on financial and audit matters, effectively enhancing directors' understanding of company operations.
- (2) The Board of Directors has established an Audit Committee to strengthen management mechanisms and enhance supervisory functions. The Audit Committee reviews relevant proposals within its authority and submits them to the Board of Directors for resolution, thereby reinforcing oversight and improving management effectiveness.

Board members continue to participate in continuing education programs on corporate governance topics to enhance their knowledge and facilitate exchange of experience, thereby continuously improving the Board's overall effectiveness.

To encourage ongoing professional development of directors, the Company regularly arranges corporate governance-related training courses and provides information on programs offered by external training institutions for directors' reference.

2.3.2 Participation of the Audit Committee in Board Operations

1. Audit committee operations

From the most recent fiscal year to the date of publication, the Audit Committee held six meetings, and the attendance of independent directors is as follows:

Title	Name	Actual Attendance (Sessions)	Number of Proxy Attendances	Actual Attendance Rate (%) (Note)	Notes
independent director	Tsai, Jung-Fa	6	—	100	Taking office on 2024.02.05
independent director	Chiu, Kuo-Wang	6	—	100	Taking office on 2024.02.05
independent director	Liu, Teng-Fa	4	2	67	Taking office on 2024.02.05
independent director	Wang, Chi-Chuan	5	1	83	Taking office on 2024.02.05

1. If the operation of the audit committee falls under any of the following circumstances, the date and period of the audit committee meeting, the content of the proposals, the objections, reservations or major recommendations of the independent directors, the results of the resolutions of the audit committee, and the company's response to the audit committee should be stated. Handling of comments:

- (1) Matters prescribed under Article 14-5 of the Securities and Exchange Act: For FY2025 and up to the date of publication of this annual report, all proposals were approved unanimously by all Audit Committee members present and subsequently approved unanimously by all directors present at the Board of Directors meetings. The details of the proposals are as follows:

Farewell	Audit committee meeting date	Motion content	Resolution result	The Company's Handling of the Audit Committee's Opinions
First Session Seventh Session	2025/03/12	<ol style="list-style-type: none"> The 2024 Business Report and Financial Statements. The 2024 Earnings Distribution Proposal. Amendments to Certain Provisions of the Articles of Incorporation. Amendments to Certain Provisions of the "Procedures for Acquisition or Disposal of Assets." Amendments to Certain Provisions of the "Standard Operating Procedures for Handling Requests from Directors." Assessment of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2024. Appointment of the Certifying CPA and Evaluation of Independence and Competence. Proposal Not to Remit Subsidiary Earnings of King Shing Automobile Parts Co., Ltd. Group Back to the Parent Company in Taiwan. Proposal to Release the Corporate Director's Representative from the Non-Compete Restrictions. 	Adopted by all members of the committee	All directors present and approved
First Session, Eighth Meeting	2025/05/13	<ol style="list-style-type: none"> Consolidated financial statements for the first quarter of FY2025 of the Company. Proposal to amend certain provisions of the Company's "Internal Control System." Proposal for renewal of credit facility with Taishin International Bank. 	Adopted by all members of the committee	All directors present and approved

Farewell	Audit committee meeting date	Motion content	Resolution result	The Company's Handling of the Audit Committee's Opinions
First Session, Ninth Meeting	2025/08/12	<ol style="list-style-type: none"> 1. Consolidated financial statements for the second quarter of FY2025 of the Company. 2. Proposal to establish the Company's "Procedures for Share Repurchase (Treasury Stock)." 3. Proposal for renewal of credit facility with CTBC Bank. 4. Proposal for remuneration of the Company's attesting CPA. 5. Proposal for pre-approval of non-assurance services to be provided by the attesting CPA, its audit firm, and affiliated entities to the Company and its subsidiaries. 	Adopted by all members of the committee	All directors present and approved
First Session, Tenth Meeting	2025/11/12	<ol style="list-style-type: none"> 1. Consolidated financial statements for the third quarter of FY2025 of the Company. 	Adopted by all members of the committee	All directors present and approved
First Session, Eleventh Meeting	2025/12/26	<ol style="list-style-type: none"> 1. Proposed FY2026 budget of the Company. 2. Proposed FY2026 internal audit plan of the Company. 3. Proposal to amend certain provisions of the "Internal Control System." 4. Proposal for renewal of credit facility with Chang Hwa Commercial Bank. 	Adopted by all members of the committee	All directors present and approved
First Session, Twelfth Meeting	2026/03/11	<ol style="list-style-type: none"> 1. 2025 Annual Business Report and Financial Statements. 2. 2025 Profit Distribution Proposal. 3. Capital Reserve Distribution Proposal. 4. Amendments to certain provisions of the "Articles of Association." 5. Amendments to certain provisions of the "Regulations Governing Transfer of Treasury Shares to Employees under the First Share Buyback Program." 6. Amendments to certain provisions of the "Procedures for Acquisition or Disposal of Assets." 7. Amendments to certain provisions of the "Payroll Cycle Procedures." 8. 2025 Internal Control System Effectiveness Evaluation and Internal Control System Declaration. 9. Appointment of attesting CPA and assessment of independence and competence. 10. Proposal for appointment of the Company's accounting manager. 	Adopted by all members of the committee	All directors present and approved

(2) Except for the matters mentioned above, other resolution matters that have not been approved by the audit committee but have been approved by more than two-thirds of all directors: None.

2. The implementation of the independent director's recusal of the interest-related proposal shall state the name of the independent director, the content of the proposal, the reason for the revocation of the interest, and the circumstances of his participation in voting: None.
3. Communication situation between independent directors and internal audit supervisors and accountants (should include major matters, methods and results of communication on the company's financial and business conditions, etc.):

For FY2025 and up to the date of publication of this annual report, the communication between the

independent directors, the head of internal audit, and the independent auditors is as follows:

(1) After the audit report and follow-up report are presented and approved by the directors, the audit supervisor will send them to the independent directors via email every month, and report to the independent directors on the company's internal audit execution status and internal control operations to the audit committee.

Date	Communication situation	Communicate results
2025/03/12 First Session Seventh Session The Audit Committee	1. Report on internal audit results for December 2024 to January 2025. 2. Evaluation of the design and effectiveness of the internal control system for FY2024.	1. Prior separate communication with the Audit Committee was conducted; the independent directors raised no objections to the internal audit report. 2. After approval by the Audit Committee, the "Internal Control System Statement" was submitted to and approved by the March Board of Directors meeting.
2025/05/13 First Session, Eighth Meeting The Audit Committee	1. Report on internal audit results for February to March 2025.	1. Prior separate communication with the Audit Committee was conducted; the independent directors raised no objections to the internal audit report.
2025/08/12 First Session, Ninth Meeting The Audit Committee	1. Report on internal audit results for April to June 2025.	1. Prior separate communication with the Audit Committee was conducted; the independent directors raised no objections to the internal audit report.
2025/11/12 First Session, Tenth Meeting The Audit Committee	1. Report on internal audit results for July to September 2025.	1. Prior separate communication with the Audit Committee was conducted; the independent directors raised no objections to the internal audit report.
2025/12/26 First Session, Tenth Meeting The Audit Committee	1. Report on internal audit results for October 2025. 2. Proposal to amend internal control-related policies.	1. Prior separate communication with the Audit Committee was conducted; the independent directors raised no objections to the internal audit report.
2026/03/11 First Session, Twelfth Meeting The Audit Committee	1. Report on internal audit results for November to December 2025. 2. Evaluation of the design and effectiveness of the internal control system for FY2025.	1. Prior separate communication with the Audit Committee was conducted; the independent directors raised no objections to the internal audit report. 2. After approval by the Audit Committee, the "Internal Control System Statement" was submitted to and approved by the March Board of Directors meeting.

(2) The accountant will report to the independent directors on the review of the company's financial status and internal control implementation, and explain the accounting treatment principles, content that has a significant impact on profits and losses, and recent legal amendments.

Date	Communication situation	Communicate results
2025/3/12 Communication symposium	Individual financial statements and consolidated financial statements for 2024.	Accountants communicate individually in front of the Audit Committee on "communication matters with governance units during the audit completion stage", including key audit matters, materiality, related party transactions, significant accounting estimates, review of group financial reports and summary explanations of important financial information, etc., and respond independently Questions from directors regarding financial statements. After communication, the financial statements will be submitted to the board of directors after review and approval by the audit committee, and will be announced and reported to the competent authority as scheduled.
2025/5/13 Communication symposium	1. Review of the financial statements for the first quarter of FY2025. 2. Report on regulatory changes.	Accountants communicate individually in front of the Audit Committee on "communication matters with governance units during the audit completion stage", including key audit matters, materiality, related party transactions, significant accounting estimates, review of group financial reports and summary explanations of important financial information, etc., and respond independently Questions from directors regarding financial statements. After communication, the financial statements will be submitted to the board of directors after review and approval by the audit committee, and will be announced and reported to the competent authority as scheduled.
2025/08/12 Communication symposium	1. Consolidated financial statements for the second quarter of FY2025. 2. Updates on U.S. tariffs and regulatory developments.	Accountants communicate individually in front of the Audit Committee on "communication matters with governance units during the audit completion stage", including key audit matters, materiality, related party transactions, significant accounting estimates, review of group financial reports and summary explanations of important financial information, etc., and respond independently Questions from directors regarding financial statements. After communication, the financial statements will be submitted to the board of directors after review and approval by the audit committee, and will be announced and reported to the competent authority as scheduled.

Date	Communication situation	Communicate results
2025/11/12 Communication symposium	Consolidated financial statements for the third quarter of FY2025.	Accountants communicate individually in front of the Audit Committee on "communication matters with governance units during the audit completion stage", including key audit matters, materiality, related party transactions, significant accounting estimates, review of group financial reports and summary explanations of important financial information, etc., and respond independently Questions from directors regarding financial statements. After communication, the financial statements will be submitted to the board of directors after review and approval by the audit committee, and will be announced and reported to the competent authority as scheduled.
2025/12/26 Communication symposium	Annual audit communication plan.	Accountants communicate individually in front of the Audit Committee on "communication matters with governance units during the audit completion stage", including key audit matters, materiality, related party transactions, significant accounting estimates, review of group financial reports and summary explanations of important financial information, etc., and respond independently Questions from directors regarding financial statements. After communication, the financial statements will be submitted to the board of directors after review and approval by the audit committee, and will be announced and reported to the competent authority as scheduled.
2026/03/11 Communication symposium	Separate financial statements and consolidated financial statements for FY2025.	Accountants communicate individually in front of the Audit Committee on "communication matters with governance units during the audit completion stage", including key audit matters, materiality, related party transactions, significant accounting estimates, review of group financial reports and summary explanations of important financial information, etc., and respond independently Questions from directors regarding financial statements. After communication, the financial statements will be submitted to the board of directors after review and approval by the audit committee, and will be announced and reported to the competent authority as scheduled.

2.3.3 Corporate Governance Operations and Differences from the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and Reasons for Such Differences:

Evaluation Items	Operational Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons for Such Differences
	Yes	No	Summary Explanation	
1. Has the company established and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies?	V		The Company has established its “Corporate Governance Best Practice Principles” with reference to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies,” and the Principles were approved by the Board of Directors. The full text of the Principles is disclosed on the Company’s website and the Market Observation Post System.	No significant differences
2. Shareholding Structure and Shareholders' Rights (1) Has the company established internal procedures to handle shareholders' suggestions, inquiries, disputes, and litigation matters, and are these procedures being implemented?	V		The company has established internal control procedures through the 'Stock Affairs Operation Management Guidelines' and has a spokesperson system in place. Dedicated personnel handle shareholders' suggestions, inquiries, and disputes. Additionally, a professional stock affairs agency is commissioned to assist in providing recommendations.	No significant differences
(2) Does the company maintain a list of the major shareholders who actually control the company and the ultimate controllers of these major shareholders?	V		The company reports the shareholding changes of major shareholders to the stock exchange on a monthly basis in accordance with Article 25 of the Securities and Exchange Act. Additionally, during each book closure period, the company verifies the shareholder register against the reported information to monitor the shareholding status of major shareholders at all times.	No significant differences
(3) Has the company established and implemented risk control and firewall mechanisms with affiliated enterprises?	V		The company and its affiliated enterprises operate independently. The company's internal control system includes the supervision and management of its subsidiaries.	No significant differences

Evaluation Items	Operational Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons for Such Differences
	Yes	No	Summary Explanation	
(4) Has the company established internal regulations prohibiting insiders from trading securities using undisclosed market information?	V		To prevent the company or insiders from inadvertently or intentionally violating insider trading regulations due to unfamiliarity with the laws, which could result in litigation and damage the company's or insiders' reputation, the company has established 'Procedures for Preventing Insider Trading.' These procedures are designed to prevent insider trading, protect investors, and safeguard the company's interests.	No significant differences
3. Composition and Responsibilities of the Board of Directors (1) Has the board of directors formulated a diversity policy, set specific management objectives, and ensured their implementation?	V		The company's 'Corporate Governance Best Practice Principles' clearly stipulate the principles and guidelines for the composition of the board of directors, emphasizing the importance of diversity. It outlines the basic qualifications, professional knowledge, and skills that board members should possess to achieve the ideal objectives of corporate governance. For details on the main educational and professional backgrounds of the company's directors, please refer to the company's annual report.	No significant differences
(2) Besides the legally required Compensation Committee and Audit Committee, has the company voluntarily established any other functional committees?	V		In addition to the established Compensation Committee and Audit Committee, the company will evaluate the need to establish other functional committees in the future to assist the board of directors in management and operations.	No significant differences

Evaluation Items	Operational Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons for Such Differences
	Yes	No	Summary Explanation	
(3) Has the company established a method for evaluating the performance of the board of directors, conducted regular annual performance evaluations, reported the results to the board of directors, and used the results as a reference for individual directors' compensation and re-nomination?	V		<p>The Company has established the "Board Performance Evaluation Guidelines," which are disclosed on the Company's website. Self-assessments or peer evaluations of the Board of Directors and individual directors are conducted on a regular annual basis.</p> <p>The Company shall determine the evaluation criteria for Board performance in consideration of its operational conditions and needs. The evaluation shall at a minimum cover the following five key aspects:</p> <ol style="list-style-type: none"> 1. Participation in the company's operations. 2. Enhancement of board decision-making quality. 3. Composition and structure of the board. 4. Selection and continuous education of directors. 5. Internal control. <p>The performance evaluation criteria for board members should include at least the following six aspects:</p> <ol style="list-style-type: none"> 1. Grasp of company goals and missions. 2. Awareness of directors' responsibilities. 3. Participation in the company's operations. 4. Internal relationship management and communication. 5. Professionalism and continuous education of directors. 6. Internal control. <p>The performance evaluation indicators of the board should be established according to the company's operations and needs, ensuring they are suitable for performance evaluation. The scoring standards should be revised and adjusted based on the company's requirements and can be weighted by the various evaluation aspects.</p>	No significant differences
(4) Does the company regularly assess the independence of the certifying accountants?	V		<p>The company's certifying accountants avoid any engagements where they have a direct or indirect conflict of interest, fully adhering to principles of impartiality, rigor, and integrity. The independence and competence of the certifying accountants are assessed annually by the company. This evaluation includes reviewing the number of consecutive years of audit services provided, the quality of audit services, and the cases investigated. It is confirmed that the certifying accountants do not hold any shares in the company and do not hold any positions within the company.</p>	No significant differences

Evaluation Items	Operational Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons for Such Differences
	Yes	No	Summary Explanation	
4. Has the company appointed a sufficient number of qualified corporate governance personnel and designated a corporate governance officer responsible for related matters (including but not limited to providing directors and supervisors with the necessary information for business execution, assisting directors and supervisors in complying with laws, handling matters related to board and shareholder meetings in accordance with the law, and preparing minutes of board and shareholder meetings)?	V		<p>On April 8, 2024, the company's board of directors approved the appointment of Ms. Chen,Chiao-Ting as the Corporate Governance Officer. Her scope of duties includes the following:</p> <ol style="list-style-type: none"> 1. Handling matters related to board and shareholder meetings in accordance with the law. 2. Preparing minutes of board and shareholder meetings. 3. Assisting directors with onboarding and continuous education. 4. Providing directors with the necessary information for business execution. 5. Assisting directors in complying with laws. 6. For details on the training of the Corporate Governance Officer in accordance with the 'Regulations Governing the Establishment and Exercise of Powers of the Board of Directors of Public Companies,' please refer to page 35 of the annual report. 	No significant differences
5. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a stakeholder section on the company website to appropriately respond to significant corporate social responsibility issues of concern to stakeholders?	V		The company has appointed a spokesperson as a communication channel with stakeholders and discloses information on the Market Observation Post System as required. This information is also published on the company website for investor reference, and the company acts on behalf of its affiliated enterprises as well.	No significant differences
6. Has the company appointed a professional stock affairs agency to handle shareholder meeting matters?	V		The company has appointed the Shareholder Services Department of Fubon Securities Co., Ltd. to handle shareholder meeting matters.	No significant differences

Evaluation Items	Operational Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons for Such Differences
	Yes	No	Summary Explanation	
7. Information Disclosure (1) Has the company established a website to disclose financial, business, and corporate governance information?	V		The company has established an investor relations website, disclosing financial, business, and corporate governance information as required. The website URL is https://www.kingshing.com/ . Information about affiliated enterprises can be obtained from the consolidated financial reports.	No significant differences
(2) Does the company adopt other information disclosure methods (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, and posting the process of investor conferences on the company website)?	V		The company has designated personnel responsible for the collection and disclosure of information, and it also performs these tasks on behalf of its affiliated enterprises.	No significant differences
(3) Does the company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file the first, second, and third quarter financial reports and monthly operating results before the deadline?		V	The Company shall announce and file its FY2025 financial report within 75 days after the end of the fiscal year, and shall file its quarterly financial reports for the first, second, and third quarters, as well as monthly operating results, within the prescribed deadlines.	No significant differences

Evaluation Items	Operational Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons for Such Differences
	Yes	No	Summary Explanation	
8. Does the company have any other important information that helps to understand its corporate governance operations (including but not limited to employee rights, employee care, investor relations, supplier relationships, stakeholders' rights, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the company's provision of liability insurance for directors and supervisors)?	V		<p>1. Employee and Customer Relations, and Corporate Social Responsibility The Company fulfills its social responsibilities to employees and clients and has implemented the following measures to protect employee rights and promote employee well-being:</p> <p>(1) The Company has established an Employee Welfare Committee to handle various employee welfare matters.</p> <p>(2) In addition to labor insurance and National Health Insurance, the Company provides group accident insurance for all employees, with premiums fully paid by the Company.</p> <p>(3) The Company offers pre-employment health checkups for new hires and annual health checkups for current employees. All employees are enrolled in labor and health insurance, and all welfare policies are in accordance with relevant regulations.</p> <p>(4) Retirement contributions are made in accordance with the law.</p> <p>(5) On-the-job training is provided to employees.</p> <p>(6) An employee grievance mechanism is available.</p> <p>(7) The Company complies with the Act of Gender Equality in Employment.</p> <p>(8) The Company complies with the Sexual Harassment Prevention Act.</p> <p>2. Investor Relations, Supplier Relations, and Stakeholder Rights The Company has a dedicated unit responsible for addressing suggestions and inquiries from investors. The Company maintains sound financial and business relationships with suppliers and stakeholders, upholding principles of equality and mutual benefit to maximize shared value.</p> <p>3. Training for Directors and Supervisors Please refer to the section on "Director Participation in Corporate Governance Training" in this prospectus for details on director and supervisor training.</p> <p>4. Internal Control and Insider Trading Prevention The Company has established procedures for its "Internal Control System" and "Insider Trading Prevention Measures" to serve as the basis for handling and disclosing material information. These policies are reviewed periodically to ensure compliance with current laws and operational needs.</p> <p>5. Customer Communication The Company maintains effective communication channels with customers, and implementation is carried out smoothly.</p> <p>6. Directors' Liability Insurance The Company has purchased directors' liability insurance for fiscal year 2025.</p>	No significant differences
9. Please explain the improvements made based on the most recent corporate governance evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and prioritize the areas that need further improvement along with the measures to be taken. (If the company is not included in the evaluation, this section does not need to be filled out.)				

Corporate Governance Officer Training Status in 2025

Name	Date	Organizer	Training Hours	Training Hours
Chen, Chiao-Ting	2025/08/12	Taiwan Corporate Governance Association , TCGA	Analysis of Corporate Financial Information and Decision-Making Applications	3
Chen, Chiao-Ting	2025/10/03	Securities and Futures Institute, SFI	2025 Insider Trading Prevention Seminar	3
Chen, Chiao-Ting	2025/10/08	Accounting Research and Development Foundation (ARDF)	Comprehensive Analysis of Internal Control Practices for “Sustainability Information Management” for Internal Auditors	6
Chen, Chiao-Ting	2025/10/31	Securities and Futures Institute, SFI	2025 Legal Compliance Seminar on Insider Shareholding Transactions by Insiders	3
Chen, Chiao-Ting	2025/11/12	Taiwan Corporate Governance Association , TCGA	Legal Issues in Instant Messaging Communication	3

Director Training Status in 2025

Name	Date	Organizer	Training Hours	Training Hours
Shih, Chun-Chin	2025/08/12	Taiwan Corporate Governance Association , TCGA	Analysis of Corporate Financial Information and Decision-Making Applications	3
	2025/11/12	Taiwan Corporate Governance Association , TCGA	Legal Issues in Instant Messaging Communication	3
Ku, Chi-Hui	2025/08/12	Taiwan Corporate Governance Association , TCGA	Analysis of Corporate Financial Information and Decision-Making Applications	3
	2025/11/12	Taiwan Corporate Governance Association , TCGA	Legal Issues in Instant Messaging Communication	3
Shih, Meng-Chin	2025/08/12	Taiwan Corporate Governance Association , TCGA	Analysis of Corporate Financial Information and Decision-Making Applications	3
	2025/11/12	Taiwan Corporate Governance Association , TCGA	Legal Issues in Instant Messaging Communication	3
Shao, Zhong-Ping	2025/08/12	Taiwan Corporate Governance Association , TCGA	Analysis of Corporate Financial Information and Decision-Making Applications	3
	2025/11/12	Taiwan Corporate Governance Association , TCGA	Legal Issues in Instant Messaging Communication	3
LIU, Yen-Ti	2025/08/11	Taiwan Corporate Governance Association , TCGA	Practical Issues on Non-ordinary Transactions Requiring Attention by Directors and Supervisors	3
	2025/08/11	Taiwan Corporate Governance Association , TCGA	Practical Issues on Non-ordinary Transactions Requiring Attention by Directors and Supervisors	3
	2025/08/12	Taiwan Corporate Governance Association , TCGA	Analysis of Corporate Financial Information and Decision-Making Applications	3
	2025/11/12	Taiwan Corporate Governance Association , TCGA	Legal Issues in Instant Messaging Communication	3

Name	Date	Organizer	Training Hours	Training Hours
Liu, Teng-Fa	2025/04/01	National Federation of Certified Public Accountants Associations of the Republic of China (Taiwan)	Carbon Credit Trading and Assurance Process	3
	2025/11/12	Taiwan Corporate Governance Association , TCGA	Legal Issues in Instant Messaging Communication	3
Tsai, Jung-Fa	2025/08/12	Taiwan Corporate Governance Association , TCGA	Analysis of Corporate Financial Information and Decision-Making Applications	3
	2025/11/12	Taiwan Corporate Governance Association , TCGA	Legal Issues in Instant Messaging Communication	3
Wang, Chi-Chuan	2025/08/11	Taiwan Corporate Governance Association , TCGA	Explanation of Directors' and Supervisors' Responsibilities under Corporate Governance and Case Studies	3
	2025/08/11	Taiwan Corporate Governance Association , TCGA	Practical Issues on Non-ordinary Transactions Requiring Attention by Directors and Supervisors	3
Chiu, Kuo-Wang	2025/08/12	Taiwan Corporate Governance Association , TCGA	Analysis of Corporate Financial Information and Decision-Making Applications	3
	2025/11/12	Taiwan Corporate Governance Association , TCGA	Legal Issues in Instant Messaging Communication	3

2.3.4 Establish the composition, responsibilities and operation of the salary and remuneration committee:

1. Salary and Remuneration Committee Member Information

Condition		Professional qualifications and experience	Independence situation	Number of members who concurrently serve as members of the salary and remuneration committees of other publicly traded companies
Title	Name			
Independent Director (Convener)	Chiu,Kuo-Wang	Please refer to pages 12 to 13 for the disclosure of information regarding the professional qualifications of directors and the independence of independent directors.		—
Independent Director	Liu,Teng-Fa			—
Independent Director	Tsai,Jung-Fa			1
Independent Director	Wang,Chi-Chuan			2

2. Information on the operation of the Salary and Remuneration Committee

(1) The company's salary and remuneration committee has 4 members.

(2) The term of the current committee members is from February 19, 2024, to February 4, 2027. In the most recent year, and up until the date of the annual report printing, the Compensation Committee held 5 meetings. The qualifications of the committee members and their attendance are as follows:

Title	Name	Actual number of seats	Number of delegated attendances	Actual attendance rate (%)	Remark
Independent Director (Convener)	Chiu,Kuo-Wang	5	0	100	
Independent Director	Liu,Teng-Fa	3	2	60	
Independent Director	Tsai,Jung-Fa	5	0	100	
Independent Director	Wang,Chi-Chuan	4	1	80	

Other matters that should be recorded:

1. If the board of directors does not adopt or amend the recommendations of the salary and remuneration committee, it should state the date, period, content of the proposal, the results of the board of directors' resolution, and the company's handling of the salary and remuneration committee's opinions (if the salary and remuneration approved by the board of directors is superior to the salary and remuneration committee) It is suggested that the differences and reasons should be stated): This is not the case.
2. If a member has objections or reservations about matters decided by the Salary and Remuneration Committee and there is a record or written statement, the date, period, content of the proposal, all member opinions and the handling of the member's opinions should be stated: None Love affair.

2.3.5 Progress in implementing sustainable development and differences with the sustainability practices guidelines of listed companies: The execution status of sustainable development initiatives and the disparities with the sustainability practices guidelines of listed companies have not been thoroughly assessed.

Project Promotion	Execution Status			Differences with the sustainability practices guidelines of listed companies and the reasons behind them
	YES	NO	Summary Explanation	
1. Does the company establish a governance framework to promote sustainable development, set up dedicated (full-time or part-time) positions to promote sustainable development, authorize senior management by the board of directors to handle it, and supervise by the board of directors?	V		<p>On December 26, 2024, the Board of Directors established a Sustainability Development Committee and appointed three members to the committee, with Chairman Mr. Shi Chun-Jing serving as the convener. The committee is responsible for promoting management governance, environmental sustainability, and social participation initiatives.</p> <p>The "Sustainability Development Committee" is tasked with coordinating the formulation of the company's sustainability management policies. Through meetings and discussions, the committee identifies sustainability issues of concern to stakeholders and develops corresponding strategies. It also assigns functional units to assist in the implementation of sustainability-related matters and reviews the results.</p> <p>Once a year, the "Sustainability Development Committee" prepares a sustainability report outlining the results of sustainability initiatives and presents it to the Board of Directors. The Board reviews the company's strategies and achievements related to sustainability issues, tracks execution effectiveness, and provides ongoing supervision to ensure that sustainability strategies are integrated into the company's daily operations.</p>	No significant differences.
2. Does the company conduct risk assessments related to environmental, social, and corporate governance issues relevant to its operations according to materiality principles, and establish related risk management policies or strategies?	V		The company conducts various risk assessments as required by regulations and establishes related management mechanisms. The internal risk management policies set forth preventive measures to minimize losses resulting from risks as a principle. Potential risks that may affect the company's objectives are identified, assessed, addressed, and monitored.	No significant differences.
3. Environmental Issues (1) Does the company establish an appropriate environmental management system based on its industry characteristics?	V		Our company has established operational procedures for corporate sustainable development practices. We conduct regular audits of environmental health and safety aspects and continuously maintain the effectiveness of the system.	No significant differences.
(2) Is the company committed to enhancing energy efficiency and utilizing renewable materials with lower environmental impact?	V		<p>1. Our company is a manufacturer of automotive cooling system equipment, with molds primarily sourced from our factory in Thailand. Waste management at our Taiwan facility focuses on recyclable copper wire offcuts, packaging cardboard, and plastic film, along with general business waste. To achieve circular economy goals, plastic frame leaves and fans scrapped at the Taiwan facility are shipped back to the Thailand factory for injection molding operations, reducing resource wastage and minimizing our consumption of Earth's resources.</p> <p>2. We continue to implement energy-saving and carbon-reduction projects in each office, prioritizing the purchase of green products to reduce environmental impact and fulfill our commitment to environmental</p>	No significant differences.

Project Promotion	Execution Status			Differences with the sustainability practices guidelines of listed companies and the reasons behind them															
	YES	NO	Summary Explanation																
			<p>protection. This includes procuring green-certified paper, replacing energy-consuming equipment, and other initiatives.</p> <p>3. Install environmental-friendly and timed devices: Turn off air conditioning units outside of working hours or activate zone-based controls for air conditioning and lighting. Set office equipment such as computers to sleep mode during specified times. Turn off lights in office areas for 1 hour during lunch break and promote turning off lights when leaving a room.</p>																
(3) Does the company assess the potential risks and opportunities of climate change on its present and future operations, and take relevant mitigation measures?	V		<p>Our company regularly promotes energy conservation and carbon reduction through slogans and posters to reinforce the concept of sustainable environmental development among all employees. In response to energy conservation and carbon reduction policies, during the summer, central air conditioning is set to a constant temperature to reduce greenhouse gas emissions. We also encourage employees to use environmentally friendly tableware and prioritize energy-saving and resource-reusing principles in the use of office-related equipment.</p>	No significant differences.															
(4) Has the company compiled data on greenhouse gas emissions, water usage, and total waste weight over the past two years, and developed policies for reducing greenhouse gas emissions, decreasing water usage, or managing other waste?	V		<p>1. Greenhouse Gas Management</p> <p>As global carbon reduction regulations continue to tighten, greenhouse gas (GHG) management has become a critical issue that businesses must address. To enhance KING SHING capabilities in this area, the Taiwan headquarters and the Thailand subsidiary implemented the ISO 14064-1 GHG inventory system in 2023 and 2022, respectively. Both sites have successfully established internal procedures for GHG inventory covering Categories 1 through 6 and have incorporated these inventories into their routine annual operations. To ensure the accuracy of the inventory data, the GHG inventories of the Taiwan headquarters and the Thailand subsidiary were verified in accordance with ISO 14064-1 in 2024 and 2023, respectively. These efforts reflect KING SHING strong commitment to effective GHG management.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Category</th> <th>Scope 1</th> <th>Scope 2</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>Emissions (tonnes CO₂e/year)</td> <td>258</td> <td>2,745</td> <td>3,003</td> </tr> <tr> <td>2024</td> <td>Emissions (tonnes CO₂e/year)</td> <td>247</td> <td>2412</td> <td>2659</td> </tr> </tbody> </table> <p>2. Carbon Reduction and Energy-Saving Measures</p> <p>King Hsing Precision is committed to reducing carbon emissions from its operations through the implementation of energy-saving initiatives, contributing to the mitigation of global warming. In 2025, the</p>	Year	Category	Scope 1	Scope 2	Total	2023	Emissions (tonnes CO ₂ e/year)	258	2,745	3,003	2024	Emissions (tonnes CO ₂ e/year)	247	2412	2659	No significant differences.
Year	Category	Scope 1	Scope 2	Total															
2023	Emissions (tonnes CO ₂ e/year)	258	2,745	3,003															
2024	Emissions (tonnes CO ₂ e/year)	247	2412	2659															

Project Promotion	Execution Status			Differences with the sustainability practices guidelines of listed companies and the reasons behind them																								
	YES	NO	Summary Explanation																									
			<p>Company implemented a total of 11 energy-saving measures across its Taiwan headquarters and Thailand subsidiary, reducing greenhouse gas emissions by approximately 659,793.11 kg CO₂e.</p> <p>At the Taiwan headquarters, a solar power generation project was launched in 2025, including the installation of a 404.67 kW self-consumption solar power system, with a total of 987 solar panels installed. Meanwhile, the Thailand subsidiary significantly reduced electricity consumption from outdated equipment by replacing old fans, upgrading to LED lighting, and introducing electric forklifts.</p> <table border="1"> <thead> <tr> <th>Energy-Saving Category</th> <th>Carbon Reduction (kg CO₂e)</th> <th>Investment Amount (NTD 10,000)</th> <th>Carbon Reduction Efficiency (kg CO₂e / NTD 10,000)</th> </tr> </thead> <tbody> <tr> <td>Lighting Replacement</td> <td>38,045.27</td> <td>18,073</td> <td>2</td> </tr> <tr> <td>Solar Energy</td> <td>591,627.84</td> <td>3,718</td> <td>159</td> </tr> <tr> <td>Equipment Replacement</td> <td>1,320</td> <td>5</td> <td>264</td> </tr> <tr> <td>Energy Transition</td> <td>28,800</td> <td>136</td> <td>212</td> </tr> <tr> <td>Total</td> <td>659,793.11</td> <td>21,932</td> <td>637</td> </tr> </tbody> </table> <p>3. Water Resource Management</p> <p>All water used at KING SHING Precision's Taiwan headquarters is sourced from a third-party municipal water supplier. The Thailand subsidiary, on the other hand, utilizes a combination of rainwater harvesting, groundwater, and municipal water. In 2025, KING SHING's total water withdrawal amounted to 20.44 million liters, representing a 24.15% increase compared to the previous year, primarily due to an increase in order volume. Water intensity was 0.0120 million liters per NT\$1 million in revenue, a slight increase of 23.7% year over year.</p> <p>As there is no process wastewater generated at either the Taiwan headquarters or the Thailand subsidiary, the discharged wastewater is primarily domestic in nature and complies with local wastewater discharge standards without the need for additional treatment. Nevertheless, the Thailand subsidiary commissions a</p>	Energy-Saving Category	Carbon Reduction (kg CO ₂ e)	Investment Amount (NTD 10,000)	Carbon Reduction Efficiency (kg CO ₂ e / NTD 10,000)	Lighting Replacement	38,045.27	18,073	2	Solar Energy	591,627.84	3,718	159	Equipment Replacement	1,320	5	264	Energy Transition	28,800	136	212	Total	659,793.11	21,932	637	
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			<p>third-party organization annually to conduct wastewater testing. Test parameters include pH, Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), Suspended Solids (SS), Total Nitrogen, and Oil and Grease. These measures enhance wastewater monitoring and management at the facility, ensuring compliance with applicable wastewater regulations and minimizing environmental risk.</p> <table border="1"> <thead> <tr> <th>Water Source Category</th> <th>Withdrawal/Discharge Destination Categories</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Water Withdrawal(Note 2)</td> <td>Rainwater Harvesting / Surface Water</td> <td>3.56</td> <td>5.12</td> <td>5.28</td> </tr> <tr> <td>Groundwater</td> <td>0.38</td> <td>0.57</td> <td>2.75</td> </tr> <tr> <td>Municipal Water Supply</td> <td>10.70</td> <td>10.78</td> <td>12.41</td> </tr> <tr> <td colspan="2">Total Water Withdrawal</td> <td>14.65</td> <td>16.47</td> <td>20.44</td> </tr> <tr> <td colspan="2">Water Intensity (Million Liters / NT\$ Million Revenue)</td> <td>0.0093</td> <td>0.0097</td> <td>0.0120</td> </tr> </tbody> </table> <p>Note 1: Water consumption unit of measurement: Million liters.</p> <p>Note 2: Statistical scope: Includes Taiwan headquarters Pingzhen plant, Taiwan headquarters Sanxia plant, and the Thailand subsidiary.</p> <p>Note 3: Water intensity calculation method: Water intensity (million liters / NT\$ million revenue) = (Surface water + Groundwater + Third-party water) / Annual revenue (NT\$ million).</p> <p>Note 4: Data sources: Taiwan headquarters data is based on monthly water bills; Thailand subsidiary municipal water is based on monthly water bills, with surface water and groundwater estimated.</p> <p>Note 5: Due to the incomplete installation of flow meters at the plant, discharge and water consumption volumes have not been disclosed. These will be disclosed once all flow meters are installed in the future.</p> <p>4. Waste Management</p> <p>All waste generated by KING SHING Precision is entrusted to qualified third-party waste disposal companies. Before signing the contract, the waste disposal projects, conditions, and certificate validity dates are reviewed, ensuring that only waste disposal companies that comply with the regulations are authorized. During the waste removal process, staff is assigned to accompany the disposal company and verify the weight of the waste, obtaining a triplicate waste disposal form to prevent illegal dumping by the waste transporter.</p> <p>The Thailand subsidiary applies quarterly to the Industrial Department for waste disposal (approximately 170 tons per quarter), and the waste disposal provider must hold a valid certification from the Industrial Department. These providers are required to comply with relevant laws, such as the "Waste Disposal and</p>	Water Source Category	Withdrawal/Discharge Destination Categories	2023	2024	2025	Water Withdrawal(Note 2)	Rainwater Harvesting / Surface Water	3.56	5.12	5.28	Groundwater	0.38	0.57	2.75	Municipal Water Supply	10.70	10.78	12.41	Total Water Withdrawal		14.65	16.47	20.44	Water Intensity (Million Liters / NT\$ Million Revenue)		0.0093	0.0097	0.0120	
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			<p>Management Act," and the Thai Industrial Department regularly audits the recycling companies.</p> <p>The Taiwan headquarters mainly houses the R&D center and warehouse, so the primary waste consists of cardboard boxes and PE foam, followed by domestic waste. In contrast, the Thailand subsidiary, being the main production site, generates mainly metal stamping waste from the production process. In 2025, KING SHING's total waste volume amounted to 1,209.2 tons, a 18.1% increase compared to 2025, primarily due to an increase in order volume. Approximately 88.06% of the waste was recycled, and 6.79% was reused as raw material. Non-hazardous industrial waste accounted for 97.04% (approximately 1,173.46 tons), while hazardous industrial waste accounted for only 2.96% (35.75 tons). The waste intensity in 2025 was 0.71 tons per NT\$1 million revenue.</p> <table border="1"> <thead> <tr> <th colspan="4">Waste Generation (Tons)</th> </tr> <tr> <th>Year</th> <th>2024</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>General Industrial Waste (Tons) (Note 1)</td> <td>885.34</td> <td>994.67</td> <td>1,173.45</td> </tr> <tr> <td>Hazardous Industrial Waste (Tons)</td> <td>37.41</td> <td>28.74</td> <td>35.75</td> </tr> <tr> <td>Total Waste (Tons)</td> <td>922.75</td> <td>1,023.41</td> <td>1,209.20</td> </tr> <tr> <td>Annual Growth Rate (%)</td> <td>12.7%</td> <td>10.9%</td> <td>18.1</td> </tr> <tr> <td>Waste Intensity (Tons / Million Revenue)</td> <td>0.59</td> <td>0.60</td> <td>0.71</td> </tr> </tbody> </table>	Waste Generation (Tons)				Year	2024	2024	2025	General Industrial Waste (Tons) (Note 1)	885.34	994.67	1,173.45	Hazardous Industrial Waste (Tons)	37.41	28.74	35.75	Total Waste (Tons)	922.75	1,023.41	1,209.20	Annual Growth Rate (%)	12.7%	10.9%	18.1	Waste Intensity (Tons / Million Revenue)	0.59	0.60	0.71	
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<p>4. Social issues</p> <p>(1) Does the company establish relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?</p>	V		<p>Our company places significant emphasis on and adheres to the Universal Declaration of Human Rights (UDHR). To fulfill our corporate social responsibility and safeguard the fundamental human rights of employees and stakeholders, we respect internationally recognized basic human rights. We have established corporate governance human rights policies based on the guiding principles of the UDHR and in accordance with domestic labor laws such as the International Bill of Human Rights, the Labor Standards Act, the Gender Equality in Employment Act, and the Occupational Safety and Health Act. These policies aim to eliminate any infringement or violation of human rights and ensure dignified treatment of all current employees.</p> <p>In particular, our company has formulated the 'Cultivating Human Capital, Strengthening Organizational Development' strategy, which comprehensively implements the five pillars of talent development: recruiting talent, utilizing talent, nurturing talent, retaining talent, and, when necessary, replacing talent. Additionally, we focus on enhancing leadership skills among all levels of management.</p> <p>Our company upholds the principle of equal opportunity for all individuals and ensures the protection of human rights. In matters such as recruitment, compensation, benefits, rewards and penalties, employment, job</p>	No significant differences.																												

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			<p>assignment, training opportunities, promotion, demotion, or retirement, the company does not support discrimination based on race, ethnicity, color, height, weight, vision, place of birth, military status and nationality, ethnicity, social background, social status, lineage, religion, gender, sexual orientation, family responsibility, marital status, political affiliation, age, pregnancy (childbirth), physical disability, medical condition, health examination results, physical illness, or any other improper discrimination.</p> <p>Our company strictly prohibits the use of child labor, gender discrimination, forced labor, or any actions that hinder or obstruct the freedom of employees. As of December 31, 2025, no complaints related to human rights have been received.</p> <p>To safeguard the employment rights of all employees, our company and employees sign standardized employment contracts to protect the rights of employees.</p> <p>The summary of our company's human rights management policy and specific measures are as follows:</p> <table border="1" data-bbox="757 667 1774 1383"> <thead> <tr> <th colspan="3">Human Rights Policy and Implementation Measures</th> </tr> <tr> <th>Policy Focus</th> <th>Implementation Measures Explanation</th> <th>Performance in 2025</th> </tr> </thead> <tbody> <tr> <td>Multiculturalism and Non-discrimination</td> <td>Respecting workplace human rights and promoting diversity, we ensure that there is no discrimination or differential treatment based on individual gender, sexual orientation, race, class, age, marital status, language, ideology, religion, political affiliation, birthplace, appearance, facial features, disabilities, or any other characteristic.</td> <td>Non-discrimination incident complaint</td> </tr> <tr> <td>No child labor or forced labor in employment</td> <td>The company explicitly prohibits the employment of individuals under the age of sixteen. Respecting employee freedom, the company strictly prohibits any form of forced labor.</td> <td>No violations occurred.</td> </tr> <tr> <td>Gender-friendly workplace</td> <td>Establishment of Sexual Harassment Prevention and Related Policies.</td> <td>No workplace harassment, bullying, or abuse complaints reported.</td> </tr> <tr> <td>Diverse Job Opportunities</td> <td>Employment of People with Disabilities.</td> <td>Above legal standards.</td> </tr> </tbody> </table>	Human Rights Policy and Implementation Measures			Policy Focus	Implementation Measures Explanation	Performance in 2025	Multiculturalism and Non-discrimination	Respecting workplace human rights and promoting diversity, we ensure that there is no discrimination or differential treatment based on individual gender, sexual orientation, race, class, age, marital status, language, ideology, religion, political affiliation, birthplace, appearance, facial features, disabilities, or any other characteristic.	Non-discrimination incident complaint	No child labor or forced labor in employment	The company explicitly prohibits the employment of individuals under the age of sixteen. Respecting employee freedom, the company strictly prohibits any form of forced labor.	No violations occurred.	Gender-friendly workplace	Establishment of Sexual Harassment Prevention and Related Policies.	No workplace harassment, bullying, or abuse complaints reported.	Diverse Job Opportunities	Employment of People with Disabilities.	Above legal standards.	
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(2) Does the company establish and implement reasonable employee benefit measures (including compensation, vacation, and other perks), and appropriately reflect operational performance or results in employee compensation?	V		<p>Our company adheres to the philosophy of attracting top talent, motivating, and retaining existing employees. Therefore, our starting salary, salary reviews, and bonuses not only comply with Taiwan labor laws but also, based on observations of the labor market, are generally higher than industry averages. Evaluation considerations primarily include educational background, work experience, professional skills, position level, future development potential, and job performance. There is no differentiation or discriminatory treatment based on factors such as race, class, language, politics, religion, nationality, gender, age, or marital status.</p> <table border="1"> <thead> <tr> <th colspan="2">Compensation Principles</th> </tr> <tr> <th>Items</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>The salary comprises the base pay plus various allowances, meal subsidies,</td> </tr> </tbody> </table>	Compensation Principles		Items	Explanation	Salary	The salary comprises the base pay plus various allowances, meal subsidies,	No significant differences.
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(3) Does the company provide employees with a safe and healthy working environment, and regularly conduct safety and health education for employees?	V		<p>1. Occupational Health and Safety Policy</p> <p>Our company adheres to the Occupational Health and Safety Act and regulations set forth by customers and relevant stakeholders to establish policies that promote a healthy and safe workplace. We respect the requirements of stakeholders concerning occupational health and safety to create a workplace that fosters health and happiness.</p> <p>With occupational accident prevention and hazard mitigation as our core principles, we utilize appropriate management tools, mature technologies, and available resources to address occupational health and safety issues within our facilities. We continuously develop effective strategies, integrate occupational safety culture, and enhance protection measures for our employees. Additionally, we allocate resources to strengthen prevention of occupational diseases to achieve a zero-accident environment.</p> <p>Furthermore, our company has established quantifiable indicators to extend occupational health and safety activities to our products and related services, enhancing overall performance and effectively controlling risks.</p> <p>2. Occupational Health and Safety Management System</p> <p>To prevent workplace accidents, provide a friendly working environment, and ensure employee safety, we have implemented an Occupational Health and Safety Management System since 2020. Since then, our occupational health and safety management work has officially transitioned to systematic management. In 2021, we obtained ISO 45001 certification, valid from September 23, 2021, to September 22, 2027.</p> <p>3. Employee Health and Safety</p> <p>To ensure the health and safety of all employees across the entire group and within factory premises, KING SHING regularly and irregularly collects information or practical cases from domestic and international</p>	No significant differences.									

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			<p>sources, industries, regulatory agencies, etc. These are internally analyzed and reviewed to prevent similar situations from occurring. Additionally, dedicated departments conduct regular inspections and risk assessments each year, identifying high-risk occupational safety items as improvement targets and continuously monitoring improvements.</p> <p>4. Labor work environment monitoring We conduct semi-annual occupational environment monitoring twice a year, including temperature/humidity, lighting, noise, and toxic substance measurements, among others. This is to ensure that workers are protected from harmful substances in the workplace and to provide a healthy and comfortable working environment in compliance with national standards and permissible concentration regulations. We continuously analyze and improve based on retained records. In addition to providing protective equipment, dedicated personnel regularly inspect equipment and management measures on-site to prevent employees from encountering hazardous working environments or workplaces.</p> <p>5. Occupational accident case handling and prevention improvement KING SHING has a comprehensive mechanism for handling occupational accidents resulting in injury or death. We conduct simultaneous accident investigations and implement improvement measures to prevent similar hazards from recurring. In case an employee is injured due to work-related incidents, the company complies with legal regulations and provides sick leave for work-related injuries or illnesses. Furthermore, we assist in applying for workers' compensation for occupational accidents according to labor laws.</p> <p>6. Occupational Injury and Fire Incident Statistics (1) Occupational injury incident statistics: There were no major occupational accidents in 2025. Only minor disabling injuries (requiring temporary leave from work for more than one day) were reported, totaling 10 cases involving 10 individuals, accounting for 4.81% of the total number of employees at the end of 2025. (2) Fire incident statistics: There were no fire incidents in 2025.</p>	
(4) Does the company establish effective career development and training programs for employees?	V		<p>The company provides comprehensive competency training for supervisors and staff at all levels, aiming to continuously enhance employee knowledge and skills. Training includes orientation for new hires, on-the-job training (including training for reserve management), and external training opportunities. In addition to courses mandated by regulations or management needs, the company also has internal instructors who teach courses related to corporate culture, ensuring that new employees joining at different times can share the same core values of the company. The company also has a comprehensive employee promotion assessment system in accordance with company management regulations.</p>	No significant differences.

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(5) The company adheres to relevant laws and international standards regarding issues such as customer health and safety, customer privacy, marketing, and labeling, and has established policies and complaint procedures to protect consumer or customer rights and interests?	V		Our company's products adhere to the relevant international regulations in each sales region, undergoing testing and certification before sale. We maintain open communication channels with customers and provide transparent and effective complaint handling procedures for products and services.	No significant differences.
(6) Has the company established a supplier management policy that requires suppliers to adhere to relevant regulations on environmental protection, occupational health and safety, and labor rights, and their implementation status?	V		Our company has established the "External Supplier Evaluation Standard Operating Procedures" and conducts annual supplier evaluations. Suppliers who fail the evaluation will not be considered for selection. Additionally, if a supplier is found to have violated environmental, occupational health and safety, or labor rights regulations, causing significant impact on the environment and society, the company will assess the termination or dissolution of the contract.	No significant differences.
5. Does the company refer to internationally recognized reporting guidelines or standards to prepare non-financial information disclosure reports such as sustainability reports? Has the aforementioned report obtained an assurance or opinion from a third-party verification unit?	V		The structure of the Company's Sustainability Report is prepared with reference to the GRI (Global Reporting Initiative) Universal Standards 2021, published in 2021, the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEX Listed Companies" issued by the Taiwan Stock Exchange, and the Task Force on Climate-related Financial Disclosures (TCFD) framework. These frameworks are used as the basis for disclosing the Company's strategies, objectives, and specific actions related to material topics identified in this report. The report is disclosed on the Market Observation Post System (MOPS) and the Company's official website in accordance with regulatory requirements. However, it has not yet obtained assurance or verification from a third-party assurance provider.	No significant differences.
6. If the company has established its own sustainability guidelines based on the "Practical Guidelines for Sustainable Development of Listed and OTC Companies," please describe how they operate and the differences between its guidelines and those established by the Practical Guidelines for Sustainable Development of Listed and OTC Companies : The company has established its own Sustainable Development Practices based on the "Practical Guidelines for Sustainable Development of Listed and OTC Companies." A Corporate Governance and Sustainable Development Committee has been set up to fulfill sustainability and social responsibility commitments, dedicating efforts to environmental protection, social contributions, community service, public welfare, consumer rights, human rights, safety and health, and other social responsibility activities.				
7. Other important information contributing to understanding the implementation of sustainable development initiatives : Our company website has established an "ESG Sustainable Development" section, and we plan to gradually disclose our sustainable development initiatives and progress in this area on the website.				

2.3.6 The fulfillment of honest business practices and the differences and reasons compared to the ethical business conduct guidelines of listed companies. :

Evaluation Items	Operational Status			Differences and Reasons Compared to the Ethical Business Conduct Guidelines of Listed Companies
	YES	NO	Summary Explanation	
<p>1. Establishment of Honest Business Policies and Programs</p> <p>(1) Has the company established an honest business policy approved by the board of directors and clearly stated the policy and practices of honest business conduct in regulations and external documents, as well as actively implemented the commitment of the board of directors and senior management to the business policy?</p>	V		<p>(1) The company has established the "Code of Ethics for Business Operations" and "Procedures and Guidelines for Ethical Business Conduct," which directors, managers, employees, appointees, or substantial controllers of the company must adhere to.</p> <p>(2) The company signs confidentiality agreements with employees and major suppliers and provides a whistleblower hotline to prevent misconduct.</p>	No significant differences.
<p>(2) Has the company established a mechanism for assessing the risk of dishonest behavior, regularly analyzing and evaluating business activities with a higher risk of dishonest behavior within the scope of operations, and formulating measures to prevent dishonest behavior based on such assessments, covering at least the preventive measures for the behaviors specified in Article 7, Paragraph 2 of the "Code of Ethical Business Conduct for Listed Companies"?</p>	V		The company's "Code of Ethics" and "Code of Business Conduct" contain specific regulations regarding employee behavior or ethics, and relevant regulations are posted on the company's internal website.	No significant differences.
<p>(3) Does the company clearly stipulate operational procedures, behavioral guidelines, disciplinary measures for violations, and a complaint mechanism in the program to prevent dishonest behavior, and implement them, regularly reviewing and revising the aforementioned program?</p>	V		The company has established the "Procedures and Guidelines for Ethical Business Conduct," which clearly outline operational procedures, disciplinary measures for violations, and a complaint mechanism. These are implemented and enforced, and through an internal audit mechanism, dishonest behavior is regularly assessed, and the aforementioned program is reviewed and revised as needed.	No significant differences.
<p>2. Implementing Ethical Business Practices</p> <p>(1) Does the company assess the integrity records of counterparties and include clauses on ethical behavior in contracts signed with them?</p>	V		Prior to the initial transaction with clients and suppliers, the company conducts assessments and investigations through relevant units. After review by management, commercial contracts are signed based on actual needs to initiate transactions. Additionally, the transaction records of counterparties are regularly reviewed and evaluated.	No significant differences.
<p>(2) The company has established a dedicated unit under the board of directors to promote corporate integrity, and it regularly (at least once a year) reports to the board of directors on its integrity policies, measures to prevent dishonest behavior, and the supervision of their implementation.</p>	V		<p>The Company's Administration Department serves as the dedicated unit responsible for promoting integrity management. It is in charge of formulating and supervising the Company's integrity management policies and prevention measures, and reported the implementation status to the Board of Directors on March 11, 2026. The implementation of the Company's integrity management policy is as follows:</p> <p>1. The "Integrity Management Procedures and Code of Conduct" and related regulatory compliance</p>	No significant differences.

Evaluation Items	Operational Status			Differences and Reasons Compared to the Ethical Business Conduct Guidelines of Listed Companies
	YES	NO	Summary Explanation	
			<p>materials are posted on the Company’s website for all employees’ access at any time, and are also periodically promoted through training sessions in management meetings.</p> <p>2. The Company announces relevant matters to all employees via internal bulletin boards and stipulates professional ethics, occupational morality, and the duty of honesty in its “Work Rules” (e.g., Article 5 “Professional Ethics and Occupational Morality” and Article 10 “Duty of Honesty”), in order to strengthen employees’ awareness of integrity and foster a culture of ethical business conduct.</p> <p>3. To fulfill corporate social responsibility, promote environmental sustainability, and uphold fundamental human rights, suppliers are required to sign a “Supplier Commitment Letter” to ensure compliance with integrity and sustainable business principles across the supply chain.</p> <p>4. On January 2, 2025, an email was sent to all directors regarding regulatory compliance, including the “Guidelines on Compliance Requirements for Listed Companies and Directors/Supervisors” and the “Regulatory Compliance Handbook for Directors and Supervisors.”</p> <p>5. On October 3, 2025, a training session was conducted for senior management on preventing insider trading, including educational video materials.</p> <p>6. The Company has established a whistleblowing system and set up a stakeholder section on its website to provide effective communication channels for employees, shareholders, investors, customers, and suppliers.</p>	
(3) Has the company established a policy to prevent conflicts of interest, provided appropriate reporting channels, and implemented it effectively?	V		<p>The company has established a conflict of interest policy outlined in the "Board Meeting Regulations": Directors with personal interests or interests represented by legal persons should disclose the important details of their interests at the meeting. If their interests are detrimental to the company's interests, they are not allowed to participate in discussions or voting at that meeting. They must abstain from discussion and voting, and they cannot act as proxies for other directors.</p> <p>Furthermore, the "Procedures and Guidelines for Ethical Business Conduct" also include a conflict of interest policy: Company personnel are prohibited from using company resources for activities outside the company. They are also prohibited from allowing their participation in activities outside the company to affect their job performance.</p>	No significant differences.

Evaluation Items	Operational Status			Differences and Reasons Compared to the Ethical Business Conduct Guidelines of Listed Companies
	YES	NO	Summary Explanation	
(4) The company has established effective accounting and internal control systems to implement ethical business practices. The internal audit unit formulates relevant audit plans based on the assessment results of dishonest behavior risks and conducts audits to verify compliance with measures to prevent dishonest behavior. Alternatively, external auditors may be engaged to perform such audits.	V		The company has established effective accounting and internal control systems and has set up an audit unit to schedule audit plans based on risk assessments. Regular audits are conducted to prevent dishonest behavior, and as of now, no instances of violations of ethical business conduct have been identified.	No significant differences.
(5) Does the company regularly hold internal and external education and training sessions on ethical business conduct?	V		The company periodically promotes the importance of ethical business conduct through employee education and training sessions or meetings to prevent any violations of ethical business conduct.	No significant differences.
3. The operation of the company's reporting system (1) Does the company establish specific reporting and reward systems, facilitate reporting channels, and assign appropriate personnel to handle reported cases?	V		Employees are obligated to report any questions about or instances of unethical behavior to their supervisors. The company has established internal channels such as employee complaint boxes, email, and complaint hotlines, and responsible personnel promptly handle reasonable opinions or suggestions.	No significant differences.
(2) Does the company establish standard operating procedures for handling reported incidents, procedures to be followed after investigations are completed, and related confidentiality mechanisms?	V		The organization and responsibilities of confidentiality mechanisms are already stipulated in the "Code of Ethical Business Conduct" and "Procedures and Guidelines for Ethical Business Conduct" established by the company.	No significant differences.
(3) Does the company take measures to protect whistleblowers from retaliation for their reports?	V		The "Code of Ethical Business Conduct" and "Procedures and Guidelines for Ethical Business Conduct" established by the company already specify that whistleblowers should not face retaliation for their reports. Any reported violations by employees will be investigated, and whistleblowers will be provided with confidentiality and protection measures to prevent unfair retaliation or treatment.	No significant differences.
4. Enhanced Information Disclosure Does the company disclose the content and effectiveness of its established code of ethical conduct on its website and on public information platforms such as the Taiwan Stock Exchange Market Observation Post System?	V		The company has established a "Code of Ethical Conduct," which is disclosed on the company's official website. A dedicated unit is responsible for promoting policies related to ethical business conduct.	No significant differences.
5. If a company establishes its own code of ethical conduct based on the "Code of Ethical Conduct for Listed and OTC Companies," please describe the differences in operation between its own code and the established code: : No significant differences.				
6. Other important information contributing to understanding the company's integrity operation includes: the company's review and amendment of its established code of conduct for integrity operation, etc. The company conducts regular internal control self-assessment operations annually to carefully examine the implementation of internal controls, aiming for their effective execution. Significant operational policies,				

Evaluation Items	Operational Status		Differences and Reasons Compared to the Ethical Business Conduct Guidelines of Listed Companies
	YES	NO	
investment projects, acquisitions and disposals of assets, lending of funds to others, and endorsements and guarantees are all disclosed in accordance with relevant laws and regulations. Regular evaluations of relevant business processes are also conducted, and reports are prepared based on compliance assessments.			

2.3.7 Other Key Information to Enhance Understanding of the Company's Corporate Governance Practices::

Relevant departments of the company regularly engage in thorough communication and discussions with the certified public accountants regarding audit matters related to financial reports and the implementation of internal control systems.

2.3.8 Implementation Status of the Internal Control System, Including the Statement on Internal Control and, if Applicable, the CPA's Special Audit Report on the Internal Control System:

1. Statement on Internal Control: For relevant information, please refer to the announcement of the Internal Control Statement on the Market Observation Post System (MOPS) at <http://mops.twse.com.tw>.
2. CPA's Special Audit Report on the Internal Control System: If a CPA is engaged for a special audit of the internal control system, the relevant audit report can also be found on the MOPS website under the Internal Control Special Audit Report section.

2.3.9 Important resolutions of the shareholders' meeting and the board of directors for the most recent fiscal year and up to the date of the annual report printing:

1. Important resolutions of the Board of Directors:

Date	Important Resolutions
2025/03/12	<ol style="list-style-type: none"> 1. Proposal for Distribution of Employees' Compensation and Directors' Remuneration for FY2024 2. 2024 Annual Business Report and Financial Statements 3. 2024 Profit Distribution Proposal 4. Proposal Regarding the Definition of "Entry-level Employees" 5. Amendments to Certain Articles of the Articles of Association 6. Amendments to Certain Articles of the Procedures for Acquisition or Disposal of Assets 7. Amendments to Certain Articles of the Standard Operating Procedures for Handling Requests from Directors 8. 2024 Internal Control System Effectiveness Evaluation and Internal Control System Statement 9. Appointment of Attesting CPA and Assessment of Independence and Competence 10. Proposal for Non-Distribution of Profits from King Shing Automobile Parts Co., Ltd. Subsidiaries to the Parent Company in Taiwan 11. Release of Non-Compete Restrictions on Representative of Corporate Director 12. Convening of the 2025 Annual General Shareholders' Meeting
2025/04/17	<ol style="list-style-type: none"> 1. Proposal to implement the first share repurchase program and cancel treasury shares in order to safeguard the Company's credit and shareholders' interests.
2025/05/13	<ol style="list-style-type: none"> 1. Consolidated financial statements for the first quarter of FY2025 of the Company. 2. Proposal to amend certain provisions of the Company's "Internal Control System." 3. Proposal for renewal of credit facility with Taishin International Bank. 4. Authorization of the Chairman to enter into an academic contribution agreement with National Yang Ming Chiao Tung University.

Date	Important Resolutions
2025/08/12	<ol style="list-style-type: none"> 1. Consolidated financial statements for the second quarter of FY2025 of the Company. 2. Proposal to determine the record date for capital reduction through cancellation of treasury shares. 3. Proposal to establish the Company’s “Procedures for Share Repurchase (Treasury Stock).” 4. Proposal for renewal of credit facility with CTBC Bank. 5. Proposal for remuneration of the Company’s attesting CPA. 6. Proposal for pre-approval of non-assurance services to be provided by the attesting CPA, its audit firm, and affiliated entities to the Company and its subsidiaries. 7. Proposal for distribution of cash remuneration to managerial officers for FY2024. 8. Preparation of the Company’s FY2024 Sustainability Report.
2025/11/12	<ol style="list-style-type: none"> 1. Consolidated financial statements for the third quarter of FY2025 of the Company. 2. Proposal for repurchase of the Company’s shares for transfer to employees. 3. Proposal to establish salary adjustment for the Chairman and managerial officers of subsidiaries.
2025/12/26	<ol style="list-style-type: none"> 1. FY2026 budget of the Company. 2. FY2026 internal audit plan of the Company. 3. Proposal to amend certain provisions of the “Internal Control System.” 4. Proposal to amend the definition of “entry-level employees.” 5. Proposal for renewal of credit facility with Chang Hwa Commercial Bank. 6. Proposal for distribution of year-end bonuses to managerial officers for FY2025.

Date	Important Resolutions
2026/03/11	<ol style="list-style-type: none"> 1. Proposal for Distribution of Employees' Compensation and Directors' Remuneration for FY2025. 2. 2025 Annual Business Report and Financial Statements. 3. 2025 Profit Distribution Proposal. 4. Capital Reserve Distribution Proposal. 5. Amendments to certain provisions of the Articles of Association. 6. Amendments to certain provisions of the "Regulations Governing Transfer of Shares Repurchased for Employees under the First Share Buyback Program." 7. Amendments to certain provisions of the "Procedures for Acquisition or Disposal of Assets." 8. Proposal for Evaluation of the Definition of "Entry-level Employees" for FY2026. 9. Amendments to certain provisions of the "Payroll Cycle Procedures." 10. 2025 Internal Control System Effectiveness Evaluation and Internal Control System Statement. 11. Appointment of Attesting CPA and Assessment of Independence and Competence. 12. Convening of the 2026 Annual General Shareholders' Meeting. 13. Proposal for Appointment of the Company's Accounting Manager. 14. Proposal for Implementation of an Employee Stock Ownership Trust.

2. Important resolutions of the shareholders' meeting:

Date	Important Resolutions
2025/5/27 2025 Annual Shareholders' Meeting	<p>Reports:</p> <ol style="list-style-type: none"> 1. 2024 Annual Business Report. 2. Audit Committee Review Report. 3. Report on Distribution of Employees' Compensation and Directors' Remuneration for FY2024. 4. Report on Cash Dividend Distribution from FY2024 Earnings. <p>Ratifications:</p> <ol style="list-style-type: none"> 1. 2024 Annual Business Report and Financial Statements. 2. 2024 Earnings Distribution Statement. <p>Discussions:</p> <ol style="list-style-type: none"> 1. Amendments to certain provisions of the Articles of Association. 2. Amendments to certain provisions of the Procedures for Acquisition or Disposal of Assets. 3. Release of non-compete restrictions on the representative of a corporate director.

2.3.10 For the most recent fiscal year and up to the date of the annual report printing, if any directors or supervisors had dissenting opinions on important resolutions passed by the Board of Directors and such opinions were recorded or issued in written statements, the main content of these dissenting opinions should be listed: None.

2.4 Information on Accounting Fees

2.4.1 Payment amounts for audit fees and non-audit fees to the certifying accountant, their affiliated firm, and related entities, along with the details of non-audit services:

Amount unit: New Taiwan Dollars (NT\$1,000)

Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fees	Non-Audit Fees	Total	Remark
PricewaterhouseCoopers Taiwan	Lin, Se-Kai	2025/01/01-2025/12/31	3,020	180	3,200	Tax certification: NT\$180 thousand; Transfer pricing: NT\$410 thousand
	Chen, Chi-Tung	2025/01/01-2025/12/31				

2.4.2 Change of accounting firm and decrease in audit fees paid in the year of change compared to the previous year: None.

2.4.3 Audit fees decreased by more than 10% compared to the previous year: None

2.5 Information on accountant changes: Not applicable.

2.6 The company's chairman, general manager, or managers responsible for financial or accounting affairs who have worked at the certifying accountant's firm or its related entities in the past year: Not applicable.

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

2.7.1 Changes in the equity of directors, supervisors, managers and shareholders holding more than 10% of the shares: For more information, please refer to the Summary of Shareholding Changes of Directors, Supervisors, Executive Officers, and Shareholders Holding More Than 10% available on the Market Observation Post System (MOPS) at <http://mops.twse.com.tw>.

2.7.2 Information on directors, supervisors, managers and shareholders who hold more than 10% of the shares and the parties to the equity transfer are related parties:

April 27, 2026; Unit: NT\$; thousand shares

Name	Reasons for equity transfer	Transaction date	Transaction counterparty	The relationship between the transaction counterparty and the company, directors, supervisors, managers and shareholders holding more than 10% of the shares	Number of shares	Trading price
Shih, Chun-Chin	Gift	2025/9/17	Hsieh, Yu-Yun	The spouse of the Company's Chairman.	200	not applicable
Shih, Chun-Chin	Gift	2025/12/2	Shih, Meng-Chin	The children of the company's corporate director representative, manager, and chairman.	22	not applicable
Shih, Chun-Chin	Gift	2025/12/2	Shih, Meng-Hsin	The children of the company's chairman.	22	not applicable
Shih, Chun-Chin	Gift	2025/12/2	Shih, YI-TAI	The children of the company's chairman.	22	not applicable
Shih, Meng-Chin	Received as a gift.	2025/12/2	Hsieh, Yu-Yun	The spouse of the Company's Chairman.	22	not applicable
Shih, Meng-Hsin	Received as a gift.	2025/12/2	Hsieh, Yu-Yun	The spouse of the Company's Chairman.	22	not applicable
Shih, Chun-Chin	Gift	2026/1/18	Hsieh, Yu-Yun	The spouse of the Company's Chairman.	1,500	not applicable

2.7.3 Information on directors, supervisors, managers and shareholders holding more than 10% of the shares pledged as related parties: None

2.8 Related Party Relationship among TSMC's 10 Largest Shareholders

March 29, 2026; Unit: Thousand shares; %

Name	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Name and Relationship between TSMC's Shareholders		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
QLAO ZHONG INVESTMENT CO., LTD.	11,085	17.14	—	—	—	—	Shih, Chun-Chin	The company's Chairman	—
Representative: Shih, Chun-Chin	6,811	10.53	1,634	2.53	11,498	17.78	QLAO ZHONG INVESTMENT CO., LTD.	The company's Chairman	—
							Hsieh, Yu-Yun	spouse	—
							Shih, Meng-Hsin	Father and Daughter	—
Ku, Chi-Hui	7,477	11.56	—	—	3,723	5.76	Ku, Ying-Chen	Sister and Brother	—
							Shao, Zhong-Ping	Spouses of Sisters	—
							CHU YUN CO., LTD.	The company's Chairman	—
Ku, Ying-Chen	7,476	11.56	—	—	—	—	Ku, Chi-Hui	Sister and Brother	—

Name	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Name and Relationship between TSMC's Shareholders		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
								SHENG JI CHANG INTERNATIONAL CO., LTD.	
							Shao, Zhong-Ping	Spouse	—
Shih, Chun-Chin	6,811	10.53	1,634	2.53	11,498	17.78	QLAO ZHONG INVESTMENT CO., LTD.	The company's Chairman	—
							Hsieh, Yu-Yun	Spouse	—
							Shih, Meng-Hsin	Father and Daughter	—
SHENG JI CHANG INTERNATIONAL CO., LTD.	3,870	5.98	—	—	—	—	Shao, Zhong-Ping	The company's Chairman	—
							Ku, Ying-Chen	The company's Supervisor	—
Representative: Shao, Zhong-Ping	—	—	7,476	11.56	3,870	5.98	SHENG JI CHANG INTERNATIONAL CO., LTD.	The company's Chairman	—
							Ku, Chi-Hui	Spouse's Brother	—
							Ku, Ying-Chen	Spouse	—
CHU YUN CO., LTD.	3,723	5.76	—	—	—	—	Ku, Chi-Hui	The company's Chairman	—
Representative: Ku, Chi-Hui	7,477	11.56	—	—	3,723	5.76	CHU YUN CO., LTD.	The company's Chairman	—
							Ku, Ying-Chen	Sisters	—
							Shao, Zhong-Ping	Spouses of Sisters	—
ishuo Asia One Investment Co., Ltd.	2,589	4.00	—	—	—	—	—	—	—
Legal Representative : Zheng, Dun-Qian	—	—	—	—	—	—	—	—	—
Nengsu Asia Capital Co., Ltd.	2,083	3.22	—	—	—	—	—	—	—
Legal Representative : Excelsior Capital Management Co., Ltd.	—	—	—	—	—	—	—	—	—
Hsieh, Yu-Yun	1,634	2.53	6,811	10.53	—	—	Shih, Chun-Chin	Spouse	—
							Shih, Meng-Hsin	Mother and Daughter	—
Shih, Meng-Hsin	1,347	2.08	—	—	702	1.09	Shih, Chun-Chin	Father and Daughter	—
							Hsieh, Yu-Yun	Mother and Daughter	—

2.9 The number of shares held by the company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the company in the same invested enterprise, and the comprehensive shareholding ratio calculated by consolidation.

March 31, 2026; Unit: shares; %

Reinvestment business (note)	Investment by the Company		Direct or indirect control of Directors, Supervisors, or Managers		Combined Investment	
	Shares	%	Shares	%	Shares	%
NG SHING AUTOMOBILE PARTS Co., Ltd.	439,998	100.00	2	—	440,000	100.00

Note: This is an investment made by the Company using the equity method.

III 、Fund-raising situation

3.1 Capital and shares

3.1.1 Source of capital

1. Equity formation process

April 27, 2026 ; Unit: thousand shares; New Taiwan Dollars (NTD) thousand.

Date	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Those who use non-cash assets to pay for shares	Others
1989.03	10	150	1,500	150	1,500	Initial Cash Registration: 1,500 thousand NTD	None	Note 1
2010.09	10	20,000	200,000	200,000	200,000	Cash Capital Increase: 198,500 thousand NTD	None	Note 2
2013.07	10	30,000	300,000	30,000	300,000	Cash Capital Increase: 100,000 thousand NTD	None	Note 3
2019.07	10	60,000	600,000	30,000	300,000	Increase in Authorized Capital in Articles of Incorporation	None	Note 4
2021.10	30	60,000	600,000	51,186	511,860	Cash Capital Increase: 146,900 thousand NTD Debt-to-Equity Swap: 64,960 thousand NTD	Debt (Note 10)	Note 5
2022.08	10	80,000	800,000	51,186	511,860	Increase in Authorized Capital in Articles of Incorporation	None	Note 6
2023.10	10	80,000	800,000	57,100	571,000	Employee Stock Option Certificates Converted to New Shares: 59,140 thousand NTD	None	Note 7
2023.11	35	80,000	800,000	60,000	600,000	Cash Capital Increase: 29,000 thousand NTD	None	Note 8
2025.02	40	80,000	800,000	66,000	660,000	Cash Capital Increase: 60,000 thousand NTD	None	Note 9
2025.09	10	130,000	130,000	64,680	646,800	Cancellation of treasury shares: 13,200 thousand NTD	None	Note 11

Note 1: Taiwan Provincial Government Construction Department, March 28, 1989, Document No. 142374

Note 2: Taipei County Government, September 2, 2010, Document No. 0993153081

Note 3: Ministry of Economic Affairs, July 31, 2013, Document No. 10233768980

Note 4: Taoyuan City Government, July 11, 2019, Document No. 10890941020

Note 5: Ministry of Economic Affairs, October 12, 2021, Document No. 11001173420

Note 6: Ministry of Economic Affairs, August 10, 2022, Document No. 11101155400

Note 7: Ministry of Economic Affairs, October 5, 2023, Document No. 11230187480

Note 8: Ministry of Economic Affairs, November 29, 2023, Document No. 11230222650

Note 9: Ministry of Economic Affairs, February 07, 2025, Document No. 11430009680

Note 10: This pertains to the company's purchase of Sanxia Plant debt converted into equity.

Note 11: Ministry of Economic Affairs, September 19, 2025, Document No. 11430134490

2. Types of Shares

April 27, 2026 ; Unit: thousand shares

Types \ Shares	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total Shares	
Common Stock	64,680	65,320	130,000	the stock of this company is listed on the Stock Exchange

3. Information related to the aggregate filing system: Not applicable.

3.1.2 Main Shareholders List: Names, Shareholdings, and Percentages of Shareholders with Ownership of Five Percent or More or Ranked Among the Top Ten Shareholders by Shareholding Percentage.

March 29, 2026 ; Unit: People ; Thousand Shares ; %

Main Shareholder Names \ Shareholding	Holding Shares	Holding Percentage (%)
QLAO ZHONG INVESTMENT CO., LTD.	11,085	17.14
Ku, Chi-Hui	7,477	11.56
Ku, Ying-Chen	7,476	11.56
Shih, Chun-Chin	6,811	10.53
SHENG JI CHANG INTERNATIONAL CO., LTD.	3,870	5.98
CHU YUN CO., LTD.	3,723	5.76
Yishuo Asia One Investment Co., Ltd.	2,589	4.00
Nengsu Asia Capital Co., Ltd.	2,083	3.22
Hsieh, Yu-Yun	1,634	2.53
Shih, Meng-Hsin	1,347	2.08

3.1.3 Dividend Policy and Implementation Status of the Company

1. Dividend Policy as Stipulated in the Articles of Association

If the company has surplus in its annual financial statements, it shall first set aside taxes and offset accumulated losses, then allocate ten percent as statutory surplus reserves. However, when the statutory surplus reserves reach the paid-in capital, this limit does not apply. Additionally, according to laws or regulations of the competent authority, after setting aside or reversing special surplus reserves, the remaining balance may be added to undistributed profits from the beginning of the period as distributable profits. The board of directors may propose the distribution of dividends, capital surplus, or all or part of the statutory surplus reserves for cash distribution.

The company is currently in a growth stage. Regarding the policy of distributing dividends to shareholders, the allocation of accumulated distributable profits for dividends should consider factors such as the company's current and future investment environment, capital needs, domestic and international competitive conditions, and capital budgeting, while balancing shareholder interests and long-term financial planning of the company. The total dividend payout shall not be less than 30% of the distributable earnings for the current year, of which at least 20% of the total dividends distributed shall be paid in cash. However, the board of directors may adjust this ratio based on the overall operational situation at the time and seek approval from the shareholders' meeting.

2. Dividend distribution situation resolved by the board of directors this year

The board of directors passed a resolution on March 11, 2026, to distribute cash dividends of 1 yuan and an additional cash 0.50 yuan per share will be distributed from capital surplus, resulting in a total 1.50 yuan per share.

3. Explanation of Significant Changes in Expected Dividend Policy: None.

3.1.4 Impact of Proposed Bonus Shares on Company Performance and Earnings per Share at this Shareholders' Meeting

There is no proposal for bonus shares in the company's fiscal year 2025, so this does not apply.

3.1.5 Remuneration for Employees, Directors, and Supervisors

1. The percentage or range of remuneration for employees, directors, and supervisors as stipulated in the company's articles of incorporation are as follows:

If the Company records annual profits, no less than 1% shall be allocated as employee compensation (of which 50% to 70% shall be distributed to entry-level employees), and no more than 5% shall be allocated as directors' remuneration. However, if the Company has accumulated losses, an amount sufficient to offset such losses shall first be reserved.

Employee compensation may be distributed in the form of cash or shares. Eligible recipients may include employees of affiliated subsidiaries who meet certain criteria, as determined by the Board of Directors.

The distribution of employee compensation and directors' remuneration shall be resolved by the Board of Directors with the attendance of at least two-thirds of directors and the approval of a majority of those present, and shall be reported to the shareholders' meeting.

2. The basis for estimating the amount of remuneration for employees, directors, and supervisors for this period, the calculation basis for employee remuneration distributed in the form of stocks, and the accounting treatment for any differences between the estimated and actual amounts are as follows:

The estimated amount of remuneration for employees, directors, and supervisors is determined based on the current period's pre-tax net income and the percentage stipulated in the company's articles of incorporation. This amount is recognized as salary expense. If, in the future, the actual distribution amount decided by the shareholders' meeting differs from the estimated amount, the difference will be accounted for as a change in accounting estimate and recognized in the profit or loss of the year in which the actual distribution occurs.

3. Approval of remuneration distribution by the board of directors:

- (1) The amount of employee remuneration, director, and supervisor remuneration distributed in cash or stocks. If there are differences from the estimated amount recognized as expenses for the year, the differences, reasons, and treatment should be disclosed.

The board of directors of our company resolved on March 11, 2026, to distribute employee remuneration for the fiscal year 2025 amounting to 1,367 thousand, all of which was paid in cash. Director and supervisor remuneration was not distributed, and there were no differences from the estimated amount.

- (2) The proportion of employee remuneration distributed in the form of stocks to the total net profit after tax for the period and the total amount of employee remuneration: There is no such situation.

4. Actual distribution of remuneration for employees, directors, and supervisors in the previous fiscal year (including distribution of shares, amounts, and share prices), any differences from the recognized remuneration for employees, directors, and supervisors should be explained, including the differences, reasons, and handling.

In the fiscal year 2024, our company distributed employee remuneration in cash amounting to 1,961 thousand, and director and supervisor remuneration was not distributed, with no differences from the estimated amounts.

3.1.6 Repurchase of company shares:

Share repurchase tranche	First tranche	Second tranche
Purpose of share repurchase	In order to maintain the Company's credit and safeguard shareholders' interests.	Transfer of shares to employees
Period of share repurchase	114/04/18~114/06/13	114/11/13~115/01/12

Share repurchase tranche	First tranche	Second tranche
Price range of share repurchase	35.00~55.00 yuan	25.00~45.00 yuan
Type and number of shares repurchased	Common Stock 1,320,000 Shares	Common Stock 1,000,000 Shares
Amount of shares repurchased	NT\$55,278,155	NT\$40,306,251
Ratio of shares repurchased to the planned repurchase amount (%)	44.00%	83.33%
Quantity of shares cancelled and transferred	1,320,000 Shares	0 Shares
Cumulative number of shares held by the Company	Common Stock 0 Shares	Common Stock 1,000,000 Shares
Percentage of accumulated shares held by the Company to total outstanding shares (%)	0.00%	1.55%

3.2 Handling of corporate bonds (including overseas corporate bonds): None

3.3 Handling of preferred shares: None.

3.4 Participation in the issuance of overseas depositary receipts: None.

3.5 Handling of employee stock options: None.

3.6 Handling of new shares with restricted employee rights: None.

3.7 Handling of mergers or acquisitions of shares from other companies and issuance of new shares: None

3.8 Implementation of capital utilization plan: The information disclosed by the filer on the Market Observation Post System (MOPS) can be referenced through the index of information available in the annual report(<http://mops.twse.com.tw>).

IV 、 Operating Overview

4.1 Business Content

4.1.1 Business Scope

1. Main Business Content

Serial Number	Code	Business Information
1	CD01030	Automobile and parts manufacturing industry
2	CD01040	Motorcycle and parts manufacturing industry
3	CD01050	Bicycle and parts manufacturing industry
4	CA02060	Metal container manufacturing industry
5	CC01030	Electrical and audiovisual electronics product manufacturing industry
6	CC01080	Electronic components manufacturing industry
7	F401010	International trade industry
8	ZZ99999	In addition to licensed business, may engage in business not prohibited or restricted by law Business Proportion

2. Operating Proportion

Unit: New Taiwan Dollars thousand; %

Year Product Categories	2024		2025	
	Net Operating Revenue	Percentage (%)	Net Operating Revenue	Percentage (%)
Fan category	756,534	69.72	746,513	68.34
Blower	213,750	19.70	226,785	20.76
Others (Note)	114,844	10.58	119,019	10.90
Total	1,085,128	100.00	1,092,317	100.00

Note: Includes air hoods, timing covers, and accessories, etc.

3. Product Items and Newly Developed Products

(1) Current Product (Service) Items of the Company

Main Products	Key Uses
Fan Category	<p>The motor fan used in automotive cooling systems is primarily applied to engine and motor cooling, assisting in timely cooling of components around the combustion chamber (such as cylinder liners, cylinder heads, and valves).</p> <p>The automotive cooling system consists of a radiator, thermostat, water pump, cylinder water passages, cylinder head water passages, and fan. The radiator is oriented vertically to the air and is responsible for cooling the circulating water. Our company's motor fan draws air through the radiator and blows it towards the engine, reducing the temperature of the hot water in the radiator. This process ensures appropriate cooling of the engine and surrounding components, achieving high cooling efficiency.</p>
Blower	<p>The fan motor used in automotive heating and air conditioning systems is composed of an electric motor, air filter, body, air chamber, base, and oil dropper. The blower relies on the eccentric rotation of the rotor offset inside the cylinder to operate, causing volume changes between the blades in the rotor slot to draw in, compress, and discharge air. Simultaneously, it prevents gas backflow in the cylinder, introduces external air into the vehicle, passes it through the circulation heater and evaporator, allowing the air to be heated or cooled, and distributes the airflow into the cabin to enhance driving comfort.</p>
Elevator	<p>The car door component for the window glass lifting motion is a specialized part for adjusting the opening size of the window glass, ensuring smooth operation of window glass lifting.</p>
Air Hood	<p>When paired with a motor fan, it ensures that airflow passes through the cooling radiator effectively, facilitating concentrated cooling.</p>
Timing Cover	<p>Typically, closely integrated with oil seals, it is installed inside the cylinder crankshaft and camshaft, primarily serving to protect belts from damage.</p>

(2) Newly Developed Products (Services) in Development

Continuously launching aftermarket cooling fan products suitable for new car models from car manufacturers and prioritizing the development resources for brushless motor fans to meet market demands as traditional motor fans gradually transition to brushless motor fans. In anticipation of the widespread adoption of electric vehicles in the future, actively expanding product line coverage to seize market opportunities.

4.1.2 Industry Overview

1. Current Status and Development of the Industry

(1) Automotive Parts and Components Industry

From an industrial structure perspective, the automotive parts industry forms a typical midstream structure, with the vehicle manufacturing industry, particularly the automobile assembly plants, as the core of the industry. Automobile manufacturers primarily procure directly from first-tier suppliers, who are responsible for system integration. These first-tier suppliers (system manufacturers) then purchase components from second-tier suppliers (component suppliers), while third-tier suppliers (raw material suppliers) provide the necessary raw materials. The upstream and downstream relationships among suppliers are stable, and they are interconnected through information systems. As a result, the automotive industry is relatively closed, making it challenging to easily penetrate its supply chain.

Taiwan's automotive industry has undergone years of development, leading to significant advancements in technology. As a result, the automotive parts industry has grown in tandem. Due to the wide variety of automotive components and Taiwan's niche in small-batch, diverse, and flexible manufacturing, the industry has continued to invest in research and development and enhance production technologies. Taiwanese automotive parts manufacturers have gained international competitiveness and are now exporting their products. According to statistics from the Taiwan Transportation Vehicle Manufacturers Association (TTVMA) and customs export data compiled by the Ministry of Finance, Taiwan's automotive components exports continued to demonstrate strong momentum in 2025, driven by steady demand from the U.S. aftermarket (AM) sector and an increasing share of smart automotive components.

In 2025, Taiwan's automotive parts export value reached NT\$246.8 billion (up approximately 3.5% compared to 2024), with the United States being the largest export market, accounting for NT\$129.5 billion, or 52.47%. Japan ranked second with an export value of NT\$13.2 billion, or 5.35%, while Mexico ranked fourth with an export value of NT\$8.9 billion, or 3.61%.

Since 2024, the domestic new vehicle market has retreated from its peak and entered a "product cycle adjustment phase," reflecting that pent-up post-pandemic demand has been largely fulfilled and the market has returned to normalized

demand levels. In contrast to the slight contraction in domestic sales, the overseas aftermarket (AM) parts market experienced strong growth in 2024.

In 2025, Taiwan’s automotive and auto parts industry entered a pronounced period of “structural adjustment.” While overseas aftermarket (AM) demand remained robust, the domestic new vehicle market was impacted by policy changes and external economic factors, resulting in a divergence characterized by strong external demand but weakening domestic conditions.

The domestic new vehicle market saw consumer sentiment turn cautious, leading to a decline in annual sales. In April, affected by U.S. tariff policies and volatility in equity and foreign exchange markets, monthly vehicle registrations experienced a sharp drop, highlighting the increased sensitivity of domestic auto consumption to overall economic fluctuations.

In overseas markets, demand dynamics remained favorable. Supported by the U.S. Inflation Reduction Act (IRA), consumer demand for electric vehicles increased, enhancing order visibility for Taiwanese EV component suppliers. In North America, extreme weather events (including snowstorms and severe storms) drove demand for collision parts. Additionally, the high interest rate environment encouraged consumers to repair existing vehicles rather than purchase new ones, further strengthening the AM market.

Moreover, the impact of State Farm’s expanded recognition of aftermarket (AM) parts in insurance claims fully materialized in 2025, boosting capacity utilization rates among major domestic collision parts manufacturers and sustaining growth momentum across the sector.

Overall, the sales value of Taiwan’s automotive components and vehicle body manufacturing industry declined slightly by 5.38% in 2025 compared to 2024.

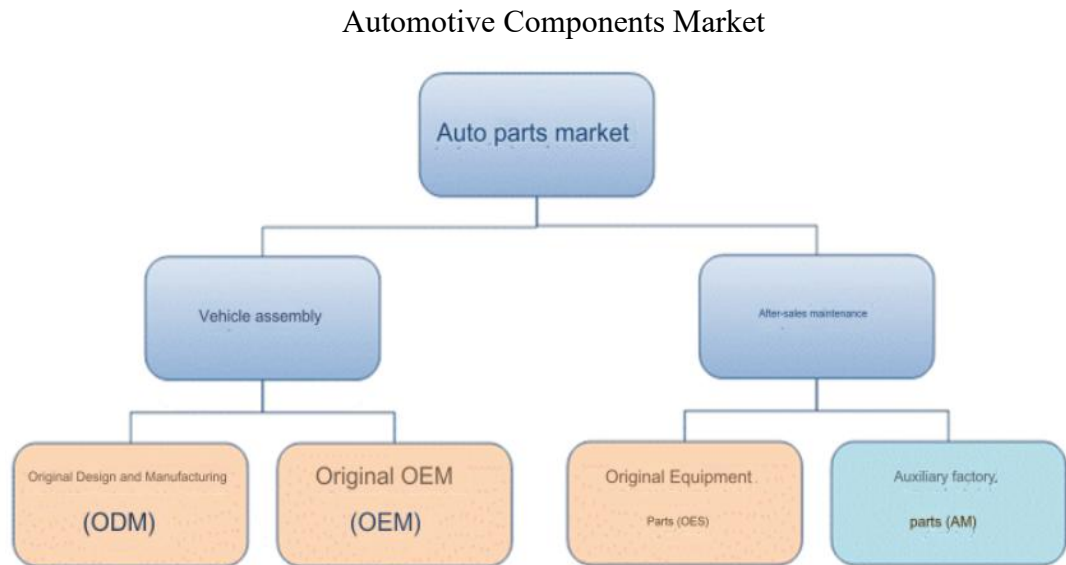
Overview of Production, Sales, and Inventory Values in Taiwan's Automotive Parts and Vehicle Manufacturing Industry.

	Unit: Million Units					
	2020	2021	2022	2023	2024	2025
Production Value	225,832	263,098	279,221	282,816	271,843	253,191
YOY	0.21%	16.50%	6.13%	1.29%	-3.88%	-6.86%
Sales Value	249,021	284,930	304,434	312,682	305,297	288,882
YOY	-7.23%	14.42%	6.84%	2.71%	-2.36%	-5.38%
Inventory Value	16,211	19,159	22,422	22,674	21,779	21,746
YOY	1.63%	18.19%	17.03%	1.12%	-3.95%	-0.15%

Source: Industrial Production, Sales, and Inventory Statistics – Product Statistics compiled by the Department of Statistics, Ministry of Economic Affairs (March 2026).

(2) Automotive Parts Market Applications

The automotive parts industry is mainly divided into two market segments based on market characteristics: Original Design Manufacturing (ODM) and Original Equipment Manufacturing (OEM). Both are used for new vehicles as genuine parts. For after-sales service, there are Original Equipment Service (OES) parts and After Market (AM) parts, which are used for vehicle repairs after some period of use. These parts are available for replacement and can be chosen by the vehicle owner during maintenance.



Source: Industrial Production Statistics Data Tape, Department of Statistics, Ministry of Economic Affairs

A. Vehicle Assembly Market

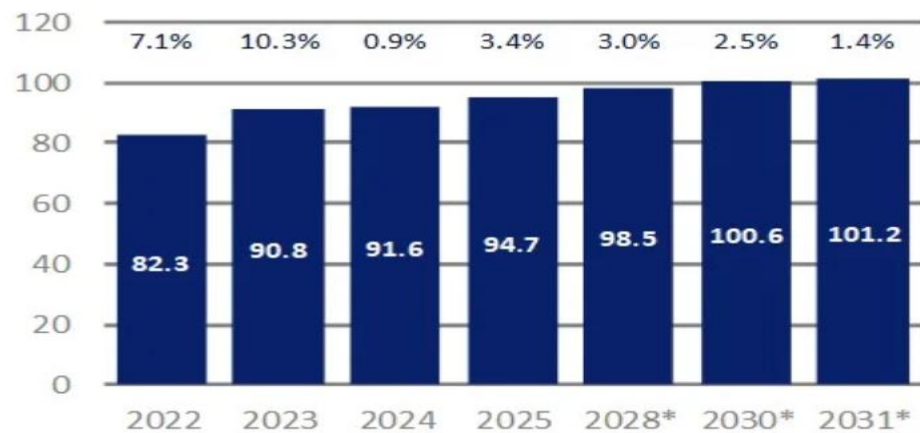
According to the latest consolidated full-year statistics for 2025, the global automotive market has officially completed its post-pandemic recovery. Sales have not only stabilized and grown, but also undergone a historic structural shift.

Global light vehicle sales reached approximately 94.7 million units in 2025, representing a year-on-year increase of about 3.4% compared to 2024.

According to forecasts by LMC Automotive on global vehicle production and annual growth rates from 2022 to 2031, global automotive production is projected to reach 98.5 million units in 2028, with an annual growth rate of approximately 3%, and continue expanding to 101.2 million units by 2031.

Overall, global automotive production is expected to maintain a steady annual growth trend starting from 2025.

Global Automotive Production and Annual Growth Rate from 2022 to 2031



Unit: Million units

Source: LMC Automotive

B. The overview of the Automotive Aftermarket (AM)

Cars experience accelerated depreciation due to frequent daily use, leading to wear and tear and creating a demand for replacement parts. Car manufacturers typically provide warranties for non-consumable parts for two to three years. After the warranty period, the demand for components with longer replacement cycles due to wear and tear is not very high. As a result, OEMs do not maintain excessive inventory. This situation has led to the development of the aftermarket (AM) repair market and the Original Equipment Supplier (OES) business model.

In the OES model, the OEMs retain core technology and outsource the production of components to OES factories to meet their needs. OES factories primarily produce a limited variety of components in large quantities. Although the products from OES factories command higher prices in the market, the profit margins for OES factories are relatively low. This is because their products must go through OEMs and distribution channels, leading to compressed profit margins from the perspective of OES factories.

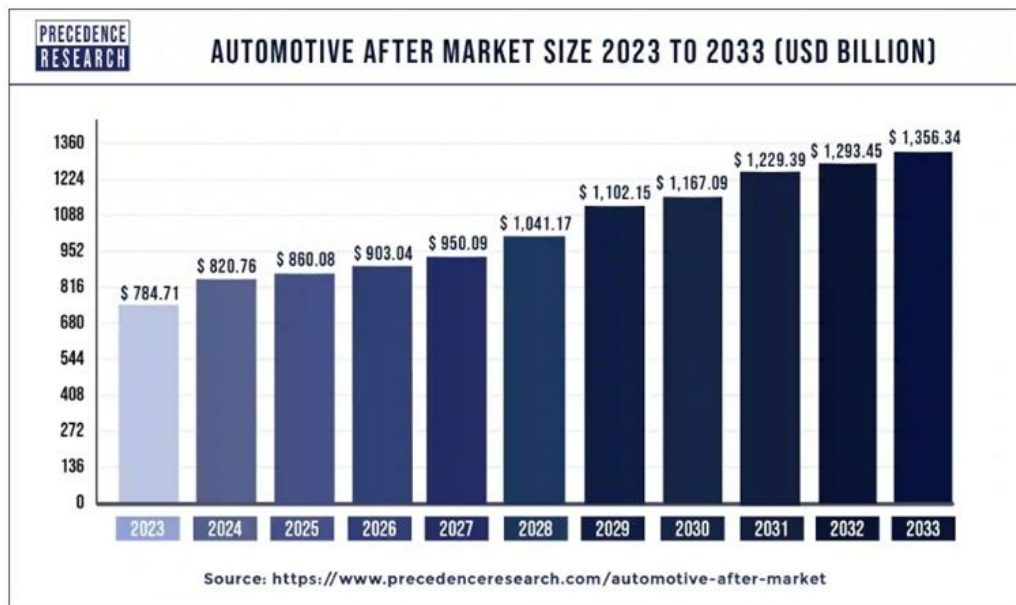
The AM model, on the other hand, is designed to meet the diverse demands of various vehicle models in the market. It involves developing molds independently to diversify products, which are then directly supplied to repair shops or distributors. Therefore, the profit margin space in the AM model is higher compared to OES factories.

Due to the limited scale of Taiwan's automotive market, a small number of vehicle models, and constraints from foreign parent companies' technology, production and manufacturing lack economies of scale, which restricts the ability of parts manufacturers to align with vehicle assembly. As a result, domestic automotive parts manufacturers are export-oriented, focusing primarily on the international after-sales service market. Taiwan's automotive parts, particularly in the field of collision-related components, have shown remarkable performance and have developed numerous proprietary brands.

The demand in the automotive repair market is influenced in the short term by

factors such as climate changes (seasons) and natural disasters, and in the long term by the global vehicle ownership. According to the research report from Japan's Global Information, global vehicle ownership continues to grow steadily each year. It grew from USD 352.39 billion in 2022 to USD 411.81 billion in 2023, and is expected to reach USD 727.99 billion by 2027, with a compound annual growth rate (CAGR) of 15.3%. According to data from research firm Precedence Research, the global AM market value is projected to reach \$1.36 trillion by 2033.

Global AM Market Value Forecast



Data source: Precedence Research

2. Relationship Between Upstream, Midstream, and Downstream Industries

Automotive components primarily supply replacement parts for the automotive manufacturing and repair industries. These components can be categorized into metal and non-metal parts, covering a wide range of industries, including petrochemical, glass, steel, rubber, electrical, and electronics industries. Our company specializes in the design and manufacturing of automotive thermal management products for the aftermarket (AM). When new vehicle models are launched, we start the research and design of motors, fans, circuit boards, and related molds. Our subsidiary in Thailand produces motor bodies, frames, blades, and shafts and then packaging and shipping the final products.

The relationships between upstream, midstream, and downstream industries in the automotive components sector are illustrated as follows:



3. Product Development Trends

(1) Integrated vehicle thermal management system

As efficiency requirements for powertrains continue to increase, thermal management has evolved from traditional heat dissipation to “precise temperature control.” In addition to improving combustion efficiency in internal combustion engine vehicles, the electric vehicle era places greater emphasis on heat pump technologies and integrated liquid-cooling solutions for the three core systems—battery, motor, and electronic control. Through high-efficiency heat exchange to reduce energy consumption, these technologies are critical to enhancing driving range and enabling high-voltage fast charging.

(2) Flexible deployment of the global electric vehicle supply chain

In response to global timelines for phasing out internal combustion engine vehicles and increasing localization requirements (such as North America’s IRA and EU environmental standards), manufacturers must not only leverage their strengths in high-mix, low-volume production and superior quality, but also integrate electrification, lightweighting, and modularization technologies. Leading companies have already transitioned from component suppliers to system integrators, strengthening strategic partnerships with electric vehicle OEMs.

(3) Product diversification and cost localization

In emerging markets such as China, India, and ASEAN, consumers have a strong demand for “high cost-performance” products. Component suppliers must align with automakers to promote platform-based production in order to achieve economies of scale, while also developing localized assembly and supply capabilities in overseas markets. This approach helps mitigate geopolitical risks and reduce logistics and tariff costs.

(4) Green supply chain and low-carbon manufacturing processes

In response to the 2050 net-zero emissions target, major automotive manufacturers are imposing increasingly stringent ESG requirements and product carbon footprint standards on component suppliers. The development of low-carbon materials (such as recycled metals) and the adoption of intelligent, automated energy-saving production processes have become essential to enhancing international competitiveness.

4. Competitive Landscape

Taiwan's automotive components industry is primarily export-oriented, with the United States being its most important market. Although export value continues to increase, its share has slightly declined to around 50% due to supply chain diversification toward Mexico and Southeast Asia.

In the United States, where automotive insurance penetration is as high as 90%, most vehicle repair costs are covered or reimbursed by insurance companies. As a result, original equipment manufacturer (OEM) parts have traditionally been preferred for repairs. According to the automotive and parts manufacturing industry development trends reported by TTR (Taiwan Trend Research), AM (aftermarket) components account for only approximately 14% of the market; however, this proportion is expected to increase to 20%–25% by 2025–2026.

In recent years, U.S. insurers have also begun introducing more cost-effective insurance policies incorporating AM components, providing consumers with greater choice. This development is expected to further accelerate the growth of Taiwan's automotive components industry in the U.S. market.

Furthermore, international automakers are currently undergoing a transition to electric vehicles, and related supply chains are actively investing in the research and development and manufacturing of electric vehicle components. To reduce the supply cost of parts for used vehicle repairs, international automakers are placing greater emphasis on Taiwan's automotive components supply chain system. Taiwanese manufacturers possess high-quality management capabilities, enabling flexible production in small quantities and diverse varieties. As a result, OEM and OES production orders are increasingly being directed towards Taiwan's AM suppliers. This shift presents an opportunity for Taiwanese automotive component manufacturers to transition and integrate into the supply chains of international automakers.

Changes in the Import Amounts and Proportions of Taiwan's Six Major Automotive Component Systems and Subsystems

Unit: Billion New Taiwan Dollars (NTD)

sort	After joining the WTO in 2003			Year 2009			Global			2022		
1	USA	450	34%	USA	542	37%	United States	1,005	45%	USA	1,328	55%
2	Hongkong	128	10%	Japan	104	7%	Japan	144	6%	Japan	119	5%
3	Japan	93	7%	China	73	5%	China	108	5%	China	89	4%
4	China	77	6%	Germany	43	3%	UK	66	3%	Mexico	76	3%
5	U.K.	35	3%	Australia	43	3%	Germany	66	3%	Germany	68	3%
6	Germany	32	2%	U.K.	37	2%	Mexico	61	3%	UK	56	2%
7	Canada	32	2%	Italy	37	2%	Netherlands	57	3%	Australia	56	2%
8	Australia	29	2%	Canada	35	2%	Canada	55	2%	Italy	53	2%
9	Italy	26	2%	Netherlands	29	2%	Italy	50	2%	Canada	50	2%
10	Vietnam	26	2%	Thailand	27	2%	Australia	49	2%	Netherlands	41	2%
other		394	30%		511	34%		576	26%		457	19%
total exports		1,321			1,481			2,236			2,395	

Source: IEK (September 7, 2023)

Export value and changes in the share of Taiwan's automotive components exports

Unit: Billion New Taiwan Dollars (NTD)

Ranking	Country/Region	2024 (latest data)	Share (%)	Brief trend overview
1	United States	796.25	50.71%	The leading export market, but its share has slightly declined from the peak level in 2022.
2	Japan	75	4.78%	Maintained its position among the top three, primarily benefiting from the Japanese supply chain.
3	China (including Hong Kong)	60	3.82%	Its share has continued to gradually decline due to the localization trend in mainland China.
4	Mexico	54.06	3.44%	Stable at fourth place, driven by the nearshoring effect in North America.
5	Canada	42.97	2.74%	Remains an important secondary market in North America.
6	Europe (Germany / United Kingdom)	40	2.55%	Demand in Germany and the United Kingdom remains stable, with some impact from geopolitical fluctuations.
7	Australia	32	2.04%	Stable demand in the aftermarket (AM) segment.
8	ASEAN (Thailand / Vietnam)	30	1.91%	Increasing demand for supply chain integration in Thailand and Vietnam.
Others	---	440	28.02%	Diversified emerging markets.
Total	Total export value	1,570.28	100%	Down 1.13% compared to 2023 (NT\$158.8 billion).

Sources: Industrial Economics and Knowledge Center (IEK), Industrial Technology Research Institute (ITRI); Department of Statistics, Ministry of Economic Affairs; Central News Agency (CNA) report dated March 28, 2025.

In 2025, our company's product exports to North America accounted for approximately 80.13% of our total revenue. Our product lines include more than 6,000 items, with over 3,100 types of cooling motor fans. Each year, we develop approximately 150-200 new products to meet market demands (new models or facelifts) and continuously create molds to cover all mainstream vehicle models and some non-mainstream models on the market. This includes vehicles that have been in circulation for 5-20 years, as well as the latest sedans, hybrid cars, and electric vehicles. Our company has the technology and specifications to promptly launch corresponding products. This not only meets customers' one-stop procurement needs but also increases customer loyalty and dependence. Even if competitors adopt low-price strategies, it is difficult for them to match our comprehensive product line. Additionally, our company has developed a keen sensitivity to market demand and, with many years of investment in brushless motor technology, we have mastered the processing of electronic signals for brushless motors. In recent years, our products have integrated Lin Bus and sensor-less communication technologies, making them suitable for the latest vehicle models, including electric vehicles.

In conclusion, the automotive aftermarket maintenance sector has high entry barriers. Long-term accumulation of technology, experience, and mold inventory are the key factors contributing to our company's leading position in the automotive aftermarket fan market.

Regarding R&D talent, in response to the increasing prevalence of electronic control components in recent years, our R&D department has recruited professionals specializing in electronics. We have developed the capability to independently develop and design electronic communication signal connections. This allows us to quickly communicate product specifications with customers, maintaining strong relationships and trust. Consequently, the resources invested by both parties can be utilized to their maximum potential.

4.1.3 Technology and R&D Overview

1. Technical Level and R&D of Business Operations

Our company specializes in the production of automotive radiator fans and blowers for automotive air conditioning systems. Our products not only meet international standards in terms of performance, efficiency, noise, and vibration required by leading automotive manufacturers but also integrate motor, electronic control, and electronic technology to adapt to the era of electric vehicles. To maintain our technological development capabilities in line with market demand, we have experimental testing equipment for trial production stages, conduct simulations of harsh environments, and verify the durability of our products. We strive for excellence in producing high-quality products. Our company's technical level and research and development are as follows:

- (1) Familiar with future main products in the market, including Brushless DC Motors and the Lin Bus (Local Interconnect Network) communication protocol, the research and development department has an electronic control unit and actively

recruits electronic and electrical engineering professionals. Through collaboration with IC chip suppliers, the company has achieved independent design, testing, and manufacturing capabilities.

- (2) The company has complete mold development and manufacturing capabilities, from drawing design to mold production and modification. With its in-house mold workshop, it can address various requirements for different vehicle models, ensuring that products meet high cost-effectiveness and precision standards. This strengthens its competitive advantage in the market.
- (3) The production mode is highly flexible, with processes including plastic injection molding, metal stamping, CNC (Computer Numerical Control), shaft grinding, rotor winding, and packaging box production. The self-production rate of product materials exceeds 80%, and the supply chain system has been in place for many years. This setup allows for a small quantity of diverse products, enabling agile production scheduling to meet customer sales demands.
- (4) The company has obtained quality certifications such as IATF 16949, ISO 9001, ISO 14001, ISO 45001, and CE, among others. These certifications ensure that the produced products meet customers' requirements for quality, technical standards, and safety regulations.

2. R&D Personnel and Their Education and Experience

Unit: people

Educational Background	2024		2025		March 31, 2026	
	headcount	Ratio(%)	headcount	Ratio(%)	headcount	Ratio(%)
Master's degree and above	2	7	3	10	4	13
Bachelor's degree (college degree)	21	75	23	77	23	74
Below High school degree	5	18	4	13	4	13
Total	28	100	30	100	31	100

3. Annual R&D Expenditure Over the Past Five Years

Unit: Thousands of New Taiwan Dollars (NTD); %

Year \ Item	2021	2022	2023	2024	2025
R&D Expenditure	24,214	22,771	25,895	26,808	29,029
Net operating revenue	822,114	940,201	1,033,173	1,085,128	1,092,317
Proportion (%)	2.95	2.42	2.51	2.47	2.66

4. Technologies or Products Successfully Developed Over the Past Five Years

Year	Research and Development Achievements	Description of Content	Product Application Categories
2018	Brushless Blower	Innovative motor structure designs enable the motor to operate within a wider range of speeds, offering higher efficiency, performance, and extended lifespan compared to traditional brushed motors.	Automotive HVAC Air Supply, Industrial Equipment, Home Appliance Applications
2019	Lin Bus Brushless Blower	Transfer data between the Electronic Control Unit (ECU) and the vehicle using stable and fast digital data instead of analog voltage signals.	Automotive HVAC Air Supply
2020	Lin bus Brushless Cooling Fan		Automotive Cooling Fan
2021	Fan Controller Module Automated Testing Platform	Introducing automated testing technology for products can enhance overall R&D development efficiency and accuracy while reducing quality control manpower.	Overall Products of Our Company
2022	Electric Vehicle Sensor (Sensor less) Brushless Motor	By not using Hall sensors to control brushless motors, it is possible to make the motors thinner and more compact.	Automotive Industry, Industrial Equipment, Home Appliance Applications
2023	Brushed Controller Modularization	The electronic packaging module using metal circuit films provides the necessary electronic circuits for controlling brushed motors, facilitating the flow of charges, and interconnecting with printed circuit boards to control the various operating modes of the motor during use.	Automotive Industry, Industrial Equipment, Home Appliance Applications
2024	Brushless Controller Modularization	The electronic packaging module using metal circuit sheets provides the current flow and connects to the printed circuit board, forming the necessary electronic circuits for	Automotive Industry, Industrial Equipment, Home Appliance

Year	Research and Development Achievements	Description of Content	Product Application Categories
		controlling a brushless motor. These circuits regulate the motor's operational modes during use.	Applications
2025	Automation assembly line technology for brushless DC motor (BLDC) production	The Company is planning a “modular automated assembly system for brushless motor modules,” integrating electromechanical engineering, electronics, and automated testing technologies, and developing a high-speed bonding solution for metal circuit substrates. Through modularized processes and inline testing design, standardized production workflows and equipment configurations are established. This achievement lays a critical foundation for subsequent mass production with high yield, high throughput, and optimized cost efficiency.	Automotive Industry, Industrial Equipment, Home Appliance Applications

4.1.4 Long/Short-term development plan

1. Short-term development plan

- (1) Our company has been investing in the research and development of brushless DC motors and Lin Bus communication protocol technology for many years. In line with the current trends in new gasoline vehicles, hybrid electric vehicles and electric vehicles, we have been gradually upgrading to brushless motor fans. Continuously enhance the energy efficiency, durability, and intelligent control of brushless fans to meet energy-saving and environmental protection requirements. Our company will continue to focus on promoting these types of products.
- (2) Accelerate cross-industry motor prototyping, focusing on electric motors for small commercial unmanned aerial vehicles (UAVs) and light-duty AGV drive motors, and complete initial product certification and field testing.
- (3) Our company builds upon a solid foundation in the aftermarket (AM) repair market for cooling fans and expands horizontally into different vehicle types such as refrigerated trucks, logistics vehicles, trucks, and tour buses. We are also actively developing Original equipment manufacturer (OE) and the Original Equipment Suppliers (OES) market for aftermarket services, leveraging our resources and

accumulated experience to maximize benefits.

2. Long-term development plan

- (1) The European Commission has mandated that starting from 2030, the carbon dioxide emissions from newly sold vehicles must be reduced by 55% compared to 2021 levels. By 2035, all newly sold vehicles must have zero carbon emissions, marking the implementation of a comprehensive policy to promote the sales of electric vehicles.

As a result, our company will accelerate the research, development, and manufacturing of electric vehicle products. We will also comprehensively enhance the precision of our technology and production processes. Additionally, we will expand our range of electric vehicle cooling products across multiple brands to increase our product coverage in the electric vehicle market and meet the growing market demand.

- (2) Actively engage with automotive manufacturers (OEM/ODM) or system integrators to assess the feasibility of manufacturing and applying other accessories for electric vehicles, thereby expanding our business scope.
- (3) Expand global market presence by leveraging a dual-manufacturing-base strategy in Taiwan and Thailand to diversify the Company's revenue exposure in North American and European markets, while mitigating the impact of geopolitical risks on the supply chain. This approach enables more effective adjustment of production planning, scheduling, and operational cycles. We will also actively adjust our product structure, introducing more advanced technologies and materials to meet market demand. This will enhance our company's added value within the supply chain, laying the foundation for future growth trends and moving toward sustainable business operations.
- (4) In future development, the company will adhere to the principles of sustainable development and actively promote green energy and carbon management plans. Our Thailand factory has already taken the lead in using green energy—solar power—and has completed a carbon inventory, successfully passing ISO14064-1 verification, demonstrating its commitment to environmental protection. Going forward, the Company will further advance product carbon footprint certification and enhance energy efficiency through intelligent production monitoring systems, thereby building a corporate image that is environmentally responsible, innovative, and accountable.

4.2 Market and Sales Overview

4.2.1 Market Analysis

1. Sales (Provision) Regions of Main Commodities (Services)

Unit: New Taiwan Dollars (NTD) Thousand ; %

item \ year	2024		2025	
	Amount	%	Amount	%
United States	840,654	77.47	875,326	80.14
Taiwan	103,986	9.58	85,125	7.79
Others	140,488	12.95	131,866	12.07
Total	1,085,128	100.00	1,092,317	100.00

2. Market Share

According to the Ministry of Economic Affairs' Industrial Production, Sales, and Inventory Statistics, Taiwan's sales value of "Other Automotive Parts" is NT\$168,275,835 thousand. Based on our company's 2025 operating revenue of NT\$1,092,317 thousand, our market share is approximately 0.65%.

3. Market Future Supply and Demand Situation and Growth Potential

Our company and its subsidiaries are primarily engaged in the research, development, production, and sales of automotive cooling system fans, motors, and blowers, with a focus on exports to the North American market. According to the Ministry of Economic Affairs' Industrial Production, Sales, and Inventory Statistics, in 2025, Taiwan's production and sales values for "Other Automotive Parts" were NT\$135,679,692 thousand and NT\$168,275,835 thousand, respectively, showing growth of 7.86% and 4.45% compared to 2024.

The United States is the largest export market for Taiwan's automotive parts. In 2023, the supply and demand in the U.S. automotive market both increased, driving higher imports of automotive parts. Additionally, the rising demand for autonomous transportation in the region has strengthened the willingness to replenish inventories in the aftermarket sector. Moreover, the abnormal climate in North America and the gradual impact of State Farm's expanded recognition of non-original parts (After Market; AM) claims have also contributed to growth in the industry. Looking ahead to 2026, despite challenges arising from new U.S. import tariff policies, Taiwan's automotive components industry is expected to maintain strong competitiveness in the North American market. This resilience is supported by rigid maintenance demand driven by the continued aging of the average vehicle fleet in the United States, as well as an increase in aftermarket (AM) replacement rates following the full implementation of State Farm's claims policies. Manufacturers are currently mitigating the impact of tariff fluctuations by optimizing their global footprint (including establishing operations in Mexico) and increasing the proportion of higher-margin CAPA-certified

parts.

4. Competitive Advantage

(1) Diversified Product Range, Covering Products for Mainstream Brands in the Market

Our company primarily sells automotive products such as cooling fans and blowers, which are used in engine cooling and air conditioning systems. Our product line covers various sedan and heavy-duty truck models from globally renowned automotive manufacturers, as well as popular and high market share models. To meet the trends and market demands in the automotive industry, we continuously expand our product line to offer a wider selection of high-quality products.

Compared to the demand from automotive and system manufacturers, the aftermarket focuses more on the completeness of the product range rather than the scale of individual items. In response, our company adopts a strategy of offering a diverse range of products in small quantities, with flexible production and delivery schedules adjusted according to lead times. Customers can place short- to medium-term orders based on market and inventory planning. We also adjust product quality and compatibility to accommodate changes in market demand.

(2) Self-developed Design Products

Our company provides a variety of products such as radiator fans and blower motors for various car models in the aftermarket maintenance market. While maintaining the specifications and characteristics of the original manufacturer's products, our research and development team integrates and summarizes data and specifications from various car models during the product development stage. We then redesign products with compatibility and interchangeability in mind, thereby balancing the performance and efficiency of each original manufacturer's products. This approach allows us to streamline the production process for a large number of products and modularize our product line to achieve optimal production efficiency and resource allocation. Leveraging over 30 years of development and manufacturing experience, our company is adept at flexibly adjusting product designs and modifications according to customer needs.

(3) One-Stop Production Process

Our company adopts a comprehensive production process from the initial product design, including product drawing and mold design, which are completed in our research and development department. Subsequently, our subsidiary in Thailand provides a complete production process, including early-stage mold manufacturing and modification, plastic injection molding, metal stamping, motor winding, fan assembly, and even cardboard packaging, all completed in-house. In response to urgent orders from customers, we can adjust production schedules in real-time with flexibility. With a high level of in-house production, our company can control product quality and meet production deadlines effectively.

(4) With over 20 years of deep-rooted presence in Thailand, our management efficiency in the Thai factory is outstanding.

Our subsidiary in Thailand was established as our main production base in the year 2005. Over the years, it has achieved a high level of familiarity with local workflows and efficiency in capacity management. Long-term coordination with our Taiwan headquarters has enabled smooth progress in mold development, production, assembly, and final packaging and shipment.

Located in Chonburi Province, our Thai subsidiary is situated in a cluster of renowned automotive manufacturers and suppliers in Asia. This area hosts factories from China, Japan, Taiwan, and other countries, making it a strategic location near the automotive component supply chain. This proximity not only facilitates our OEM business development but also positions our Thai factory to potentially benefit from the shift in manufacturing orders from China due to trade tensions between China and the US in recent years. Thus, our Thai factory enjoys a significant geographical advantage.

- (5) Proficient in future market leaders, including brushless fan motors and Lin Bus (Local Interconnect Network) communication protocol products.

Our company has been dedicated to the research and development of brushless fan motors and their Lin Bus (Local Interconnect Network) communication protocol products for over 10 years. We focus on the development of low power consumption, low noise, low vibration, and lightweight brushless fan motor products. Over 300 types of products have been released across various automotive markets, including Europe, the U.S., Japan, and South Korea. We have successfully mastered the electronic signal processing of brushless motors. In recent years, our products have integrated Lin Bus and sensorless communication technology, making them compatible with the latest vehicle models, including electric vehicles.

5. Favorable and Unfavorable Factors for Development Outlook and Response Strategies

(1) Favorable Factors

- A. In 2026, global GDP is expected to demonstrate resilience, with a rebound in real consumption following easing global inflation. This is expected to support an increase in vehicle ownership.

In January 2026, the World Bank revised upward its forecast for global real GDP growth in 2026 to 2.6%, primarily driven by the resilience of the U.S. economy, which is expected to grow by 2.2%. However, overall global growth is projected to moderate slightly compared with 2025. At the same time, AI-related investments and front-loading of imports ahead of tariff adjustments have provided short-term support to economic activity, while higher tariffs pose downside risks. Global inflation is expected to ease to 2.6% in 2026.

Against this backdrop of moderating inflation and improving real purchasing power, along with continued government subsidies for the replacement of aging vehicles across various countries, global vehicle ownership is expected to continue increasing. This trend is likely to sustain demand in the aftermarket (AM) segment, thereby supporting order momentum for Taiwan's automotive components and vehicle body manufacturing industry.

- B. Advanced Internet Information: With the proliferation of internet connectivity and readily available information, our products benefit from increased visibility and acceptance among consumers.

In recent years, consumers have easy access to information about automotive components online, including their functions, installation methods, maintenance techniques, and cost-effectiveness. When it comes to replacing or repairing automotive components, consumers are more willing to consider alternative brands. Additionally, aftermarket components offer competitive pricing compared to relatively expensive original equipment manufacturer (OEM) parts. Moreover, the DIY culture prevalent in garage communities in Europe and the United States encourages the development of the aftermarket maintenance market.

- C. Thailand's Prime Location

Global manufacturing is urgently seeking to shift production away from China to emerging markets, with Southeast Asia being the most promising region. Many well-known automotive manufacturers have already entered Thailand, establishing it as a key hub for the automotive industry in Asia. Our company has also been deeply rooted in Thailand, having established a reliable supply chain system in the region. In addition to actively expanding into the domestic market in Thailand, we are also eyeing the market potential of other ASEAN member countries in the future.

The Thai government is actively promoting the “EV 3.5” policy (electric vehicle subsidy program) and offering tax incentives through the Board of Investment (BOI). These measures not only reinforce Thailand’s position as the “Detroit of Asia,” but also directly reduce local operating and export costs.

- D. The largest auto insurance company in the United States has started to expand its coverage to include non-OEM automotive components in their claims processing.

Due to adverse factors such as the pandemic, the Russia-Ukraine conflict, and disruptions in logistics, there has been a shortage of OEM automotive components in the US aftermarket (AM) market. This shortage is particularly significant for collision-related parts, leading to difficulties for individuals to obtain compensation for car repairs. As a result, auto insurance companies have decided to expand their acceptance of claims involving non-OEM automotive components. It is anticipated that this decision will lead to an increase in orders for related parts exported from our country to the AM market in the future.

The increasing penetration of CAPA (Certified Automotive Parts Association) certification, combined with the high market share of Taiwanese manufacturers in CAPA-certified products, is expected to support more stable demand for higher-margin certified components.

- E. Radiator products have a wide range of applications.

Our radiator fan products are not limited to use in radiator cooling; they also include condenser fans and blower motors. With the advent of the electric vehicle

era, condenser fans and blower motors remain essential automotive components. In addition to their use in existing cooling systems, radiator fans can also be applied to other areas such as automotive seats, car fragrances, battery cooling, etc., expanding the range of products for heat dissipation.

F. Diverse Industry Applications and Development

Our company possesses independent research and development capabilities, a mold manufacturing department, and a complete production process system. With these resources, our product offerings are not limited to automotive radiator products. We can horizontally expand into other industries' fan applications, such as electric fan applications and transportation vehicle applications. Moreover, we can vertically extend into related applications, such as mold design and manufacturing, and injection product manufacturing.

(2) Unfavorable Factors and Response Strategies

- A. The impact of rising raw material prices and labor shortages may compel automotive component manufacturers in our country to experience an increase in operating costs.

Due to the sustained high prices of raw materials, automotive component manufacturers in our country, who have limited bargaining power, are facing pressure on procurement costs. This situation is detrimental to maintaining profit margins. Additionally, severe labor shortages are leading to increased wage costs, further exacerbating the situation and forcing companies to contend with continuously rising operating costs.

Response Strategies :

Keep track of the raw material market updates at all times and discuss the supply situation with key suppliers weekly to ensure a secure supply of necessary raw materials for production, reducing the impact of price fluctuations. Additionally, the company plans to position its Thailand factory as the primary production base, benefiting from the comprehensive automotive supply chain and abundant labor resources in the region, which should effectively mitigate the risk of rising operating costs.

- B. Mainland competitors engaging in price competition.

Mainland competitors adopting price-cutting strategies to enter the market, their low-price tactics causing market fluctuations.

Response Strategies:

Our company continuously enhances its research and development capabilities while optimizing and controlling product quality, striving to create differentiation from low-priced products from mainland competitors.

- C. Difficulty in recruiting or developing professional technical talent.

The automotive industry, being relatively closed, coupled with the recent rise of the automotive IoT, has led to automotive components venturing into the

electronics domain. This has increased the demand for professionals with expertise in electronics, leading to competition for talent with the electronics industry. Additionally, professionals who have been cultivated within the industry over the long term have become targets for recruitment by other companies. The lack of talent and talent attrition result in losses in terms of time, money, and even lead to technological gaps.

Response Strategies:

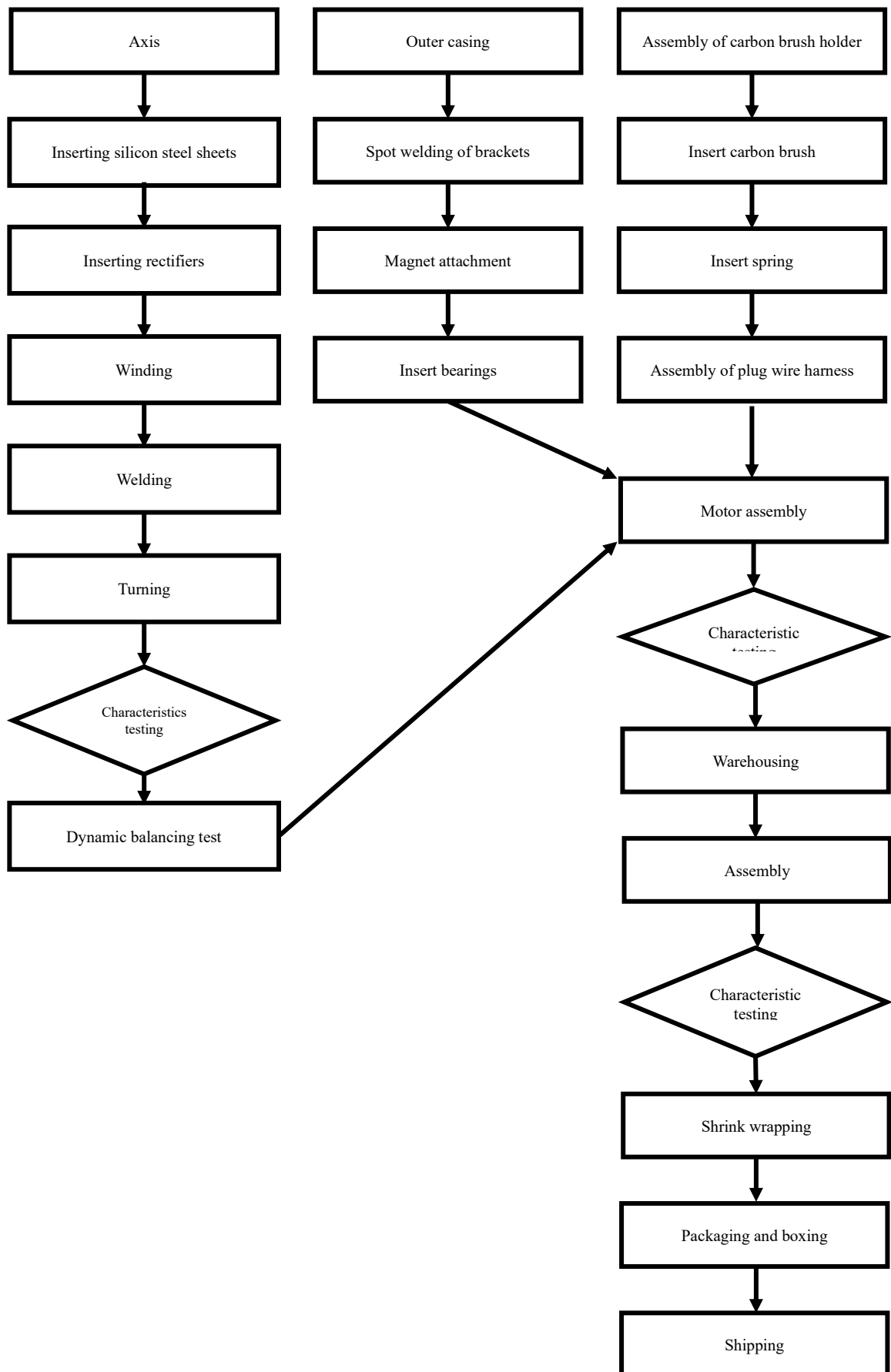
Our company's research and development department has been engaged in the study of electronic signals for many years, building upon a solid foundation of experienced personnel and has implemented an AI-based knowledge management system to transform years of accumulated R&D data and expertise into digital assets, thereby shortening onboarding time for new employees and reducing the risk of knowledge and technology gaps. Additionally, we provide a comfortable working environment, training programs, clear pathways for advancement, and incentives such as benefits and stock options to actively retain talent. With these measures in place, we can effectively recruit and sustainably develop our workforce.

4.2.2 Main Uses of Key Products

1. Main Uses of Key Products

Main Products	Key Uses
Fan Type	The motor fan used in automotive cooling systems is primarily applied to engine and radiator cooling, assisting in the timely cooling of components around the combustion chamber (such as cylinder liners, cylinder heads, and valves).
Blower	The main purpose of the blower motor is for use in automotive heating, ventilation, and air conditioning (HVAC) systems. The blower motor consists of an electric motor, an air filter, the blower body, an air chamber, a base, and a drip nozzle. The blower motor operates by the eccentric rotation of the rotor located inside the cylinder, causing changes in volume between the blades in the rotor slots to intake, compress, and discharge air while preventing gas backflow in the cylinder. Its function is to draw outside air into the vehicle cabin and pass it through the heater core and evaporator, allowing the air to be warmed or cooled before distributing the airflow throughout the cabin.
Elevator	The door accessory responsible for the up-and-down movement of the car window glass in the door system is a specialized component for adjusting the opening size of the car window glass. Its function is to ensure smooth operation of the car window glass, facilitating both opening and closing actions.
Air Intake Hood	Its function is to ensure that the fan, combined with the air guide hood, effectively directs airflow through the radiator, facilitating efficient heat dissipation.
Timing Cover	It is typically closely integrated with an oil seal and installed within the crankshaft and camshaft in the engine cylinder. Its main function is to protect the belt from damage.

2. The production process of the product



4.2.3 The supply situation of the main raw materials.

Name of the raw material	Supply condition
Copper wire	Good quality, stable supply
Steel plate	Good quality, stable supply
Magnet	Good quality, stable supply
Cardboard box	Good quality, stable supply
Circuit board	Good quality, stable supply
Integrated circuit (IC)	Good quality, stable supply
Rectifier	Good quality, stable supply
Plastic pellets	Good quality, stable supply
Aluminum casing	Good quality, stable supply

4.2.4 Please provide the names of customers who accounted for more than ten percent of our total sales in the past two years, along with their purchasing or sales amounts and the respective percentages. Additionally, please explain the reasons for any changes in their purchasing or sales amounts.

1. In the past two years, neither our company nor any of its subsidiaries have had any supplier whose purchasing amount accounted for more than ten percent of our total purchases. Therefore, we have not disclosed the names, amounts, percentages, or relationships of any specific suppliers.
2. In the past two years, customers whose sales amounts accounted for more than ten percent of our total sales have not been disclosed due to confidentiality reasons. Therefore, we are unable to provide the names, sales amounts, percentages, or reasons for any changes in their sales amounts.

Unit: NTD thousand dollars ; %

ITEM	2024				2025			
	Name	Amount	Percentage of Net Sales	Relationship with Issuer	Name	Amount	Percentage of Net Sales	Relationship with Issuer
1	Company A	441,934	40.73	—	Company A	431,736	39.53	—
2	Company B	312,376	28.79	—	Company B	366,612	33.56	—
3	Others	330,818	30.48	—	Others	293,969	26.91	—
	Net Sales Amount	1,085,128	100.00	—	Net Sales Amount	1,092,317	100.00	—

Reasons for Changes:

The fluctuations in sales to major customers over the past two years are primarily attributed to factors such as market demand, changes in product specifications, and adjustments in sales strategies.

4.3 The number of employees in the past two years.

Unit : persons ; %

Year		2024	2025	March 31, 2026
Employee Count	Managerial Level Personnel	21	23	24
	Direct Personnel	485	448	433
	Indirect Personnel	273	293	293
	Total	779	764	750
Average Age		37.4	38.5	38.1
Average Years of Service		6.9	7.7	7.3
Educational Distribution Rate %	Doctoral Degree	0	0	0.13
	Master's Degree	1.80	1.96	2.00
	Bachelor's Degree	16.17	14.27	14.40
	Associate Degree	11.94	11.39	11.47
	High School or Below	70.09	72.38	72.00

4.4 Environmental expenditure information

4.4.1 Explanation of losses incurred by the company due to environmental pollution (including compensation and results of environmental protection inspections for violations of environmental regulations), for the past two fiscal years up to the publication date of the annual report. This should include details such as the date of penalty, penalty reference number, violated regulations, nature of violation, and penalty imposed. Additionally, disclose current and estimated future amounts along with mitigation measures. If unable to provide a reasonable estimate, provide reasons for the inability to estimate.

4.5 Labor relations

4.5.1 The company's various employee welfare measures, continuing education, training, retirement system, and their implementation status, as well as agreements between labor and management and the situation regarding the protection of various employee rights.

People are the most important asset of the company. We value talent cultivation and career development, planning various training programs, interdisciplinary learning, and second specialty training. We have established a smooth promotion and transfer mechanism, maintaining harmonious and stable labor relations over the long term. We are committed to enhancing employee welfare, benefits, and working environment, and providing diversified communication channels between labor and management, ensuring that the voices of workers are heard.

1. The employee welfare measures and their implementation status.

The company and its subsidiaries comply with the Labor Standards Act of the Republic of China (Taiwan) and relevant regulations of the local government in Thailand. Apart from providing health insurance and labor insurance as required by law, we also offer group insurance for employees and contribute to individual retirement accounts for laborers. This is to ensure employee welfare, and the implementation status is as follows:

- (1) Employees are entitled to statutory annual leave, sick leave, and contributions to retirement funds. Additionally, a staff welfare committee has been established to coordinate employee welfare activities, ensuring the rights and benefits of workers.
- (2) All employees, in addition to participating in labor insurance and national health insurance as required by law, are provided with group annual term life insurance/group multiple coverage accident insurance/group accident medical insurance supplementary clauses, enhancing protection for employees' health and well-being.
- (3) Bonuses for Labor Day, Dragon Boat Festival, Mid-Autumn Festival, year-end banquet, birthdays, etc., along with travel subsidies, occasional afternoon tea events, meal vouchers, and gift distributions, encourage employees to achieve work-life balance and foster camaraderie among colleagues.
- (4) The subsidiary in Thailand also provides additional employee benefits such as AIA savings insurance and occupational accident insurance for high-risk positions, further enhancing the protection of employees' health and well-being.

2. The implementation status of continuing education and training.

In order to enhance employees' professional skills and efficiency in the workplace, and to emphasize the importance of product quality, the company implements an annual education and training plan. Both internal and external training programs are conducted to strengthen the professional capabilities of employees in various functional areas. The implementation status of these education and training programs is as follows:

- (1) Pre-job training for new employees includes courses on the company's corporate culture, business operations, workplace regulations, employee benefits, and disciplinary policies. These training sessions aim to provide new hires with a basic understanding of the company.
- (2) Training for current employees includes both internal and external education programs tailored to meet job requirements.
- (3) Professional skills training involves sending employees to relevant institutions for specialized training, enabling colleagues to acquire professional qualifications.

4. Retirement system and its implementation status.

The company contributes 6% of employees' monthly salaries to their individual retirement accounts managed by the Labor Pension Fund. Employees also have the option to voluntarily contribute an additional 0% to 6% of their monthly salary to their

personal retirement accounts. Retirement benefits are paid out either as monthly annuities or lump-sum payments based on the accumulated balance and earnings in the employee's retirement account. However, employees with less than 15 years of service are eligible for lump-sum payments only.

Moreover, our subsidiary in Thailand calculates retirement benefits in accordance with the provisions of Article 118/1 of the Labor Protection Act set forth by the local government's Department of Labor. These benefits are provided as a lump-sum payment to employees upon retirement.

4.5.2 Over the past two fiscal years up to the publication date of the annual report, the company has not incurred any losses due to labor disputes, including violations of labor regulations resulting from labor inspections. Therefore, there are no records of penalties, violation articles, content of violations, or disciplinary actions. Furthermore, there are no estimates of potential future losses or corresponding measures as there have been no incidents to estimate.

4.6 Information and Communication Technology (ICT) Security Management

4.6.1 Below is the description of our company's information and communication technology (ICT) security categorized into four dimensions: risk management framework, ICT security policy, specific management plans, and allocation of resources for ICT security management:

1. Information and Communication Technology (ICT) Security Risk Management Framework

Our company's management organization for information and communication technology (ICT) security is the Information Center, which falls under the General Manager's Office. Its responsibilities include coordinating, formulating, and implementing relevant ICT security policies and operational procedures.

2. Information and Communication Technology (ICT) Security Policy

Our company's ICT security encompasses network security, external threats, and risks from employee-introduced viruses. We have implemented a three-tier defense mechanism to ensure the smooth operation of operations and technical development.

(1) First Line of Defense: Operational Staff

Information personnel with technical backgrounds, in collaboration with professional network management or cybersecurity firms, establish this layer of defense according to the requirements of the security policy. Standard operating procedures are developed, and daily operational tasks are executed by personnel from the Information Center. The operations team is responsible for installing and configuring system environments.

(2) Second Line of Defense: Security Assessment Personnel

They design and monitor various security policies to ensure the implementation of the first line of defense and its effectiveness in providing protection. Additionally,

they are responsible for deploying relevant control tools and projects.

(3) Third Line of Defense: Internal Audit

They provide independent and objective advice for auditing the first and second lines of defense mechanisms and offer improvement suggestions.

(4) Information Security Risk Management and Improvement Architecture

Every year, our company conducts a reassessment and review of potential information security risks. The Information Department adjusts relevant policies and tasks the operations team with their execution.

3. Specific Management Plans

Our company's ICT security management policy covers the handling of personal information, operational data, and business confidentialities. It undergoes regular checks and is publicly announced to all employees. This management policy is formulated based on regulations governing data security and computer usage. Additionally, our company outsources information services to third-party vendors. Before signing contracts, these vendors undergo investigations into their information security technology to ensure legal protection for both parties in terms of information security and personal data.

(1) Information Security Advocacy

Employees who use the company's network, access files, send and receive emails, and use the ERP system submit permission requests to the Information Department. Subsequently, information security advocacy content is sent via email. After reading, employees sign and return the documents to the Information Department. For the ERP system, passwords are regularly changed, and information security advocacy content is posted on bulletin boards to remind all employees to be vigilant about ICT security.

(2) Device Protection Measures

The information room is equipped with access control measures, including surveillance cameras recording entries and exits as well as changes in the surrounding environment. The temperature is maintained within suitable ranges for server operation. Additionally, a network monitoring system is in place to monitor network status and inspect operation change records, ensuring the ability to audit personnel operations related to information security at any time.

(3) Data Protection Measures

Our company employs firewalls for external network protection and regularly updates antivirus software on them. For our core ERP system, permissions for the operational environment are restricted to designated personnel only. The environment is segmented into development, testing, and production to ensure data accuracy and security. Additionally, our on-site data center performs daily backups, which are also uploaded to the cloud to fulfill the operational requirements for off-site redundancy.

In terms of identity verification for data access, personnel requesting access to internal system databases must submit requests according to the scope of their business needs. Their permissions are then set accordingly, and the reasonableness of account permissions is periodically reviewed. When replacing old servers, data hard drives and other equipment are handled separately. Data hard drives are centrally managed by the Information Department, while servers are handed over to recyclers to avoid concerns about information leakage.

4. Allocation of Resources for ICT Security Management

Our company recognizes the importance of information and communication technology security to our operations. Therefore, we allocate budget annually for activities such as intrusion prevention, antivirus software updates, firewall maintenance, and enhancement of security systems. This budget includes both manpower and equipment resources.

4.6.2 Below are the details of significant information and communication technology security incidents incurred in the past two fiscal years up to the publication date of the annual report, along with potential impacts and response measures. If unable to reasonably estimate, the inability to estimate should be explained.

In the past two fiscal years up to the publication date of this report, our company has not experienced any significant information and communication technology security incidents that would impact the company's finances or normal business operations.

4.7 Key Contracts

Nature of Contracts	Parties Involved		Contract Start and End Dates	Main Content	Restrictions and Clauses
Engineering Contract	KING SHING AUTOMOBILE PARTS CO., LTD.	ENMAX SOLAR 1(EPC)CO., LTD.	2024.09.23~ Warranty Period Expires	Solar Panel Roof Installation Project	—
Financing Contract	KING SHING INDUSTRIAL CO., LTD.	Taishin International Bank Co., Ltd.	2025.06.01~ 2026.05.31	Credit Facility Agreement	—
Financing Contract	KING SHING INDUSTRIAL CO., LTD.	CTBC Bank Co., Ltd	2025.09.01~ 2026.08.31	Bank Credit Comprehensive Limit Agreement and General Contract	—
Financing Contract	KING SHING INDUSTRIAL CO., LTD.	Chang Hwa Commercial Bank, Ltd.	2026.01.01~ 2026.12.31	General Working Capital Loan Agreement	—

V Analysis of Financial Position, Performance and Risk related Issues

5.1 Comparative Analysis of Financial Position : The main reasons for the significant changes in assets, liabilities and equity in the last two years and their impact. If the impact is significant, the future response plan should be stated.

Unit: NT\$ thousand;%

Item	Year		Difference	
	2024	2025	Amount	%
Current Assets	1,054,852	1,161,177	106,325	10.08
Net property, Plant and Equipment	929,400	926,732	(2,668)	(0.29)
Intangible Assets	10,448	7,542	(2,906)	(27.81)
Other Assets	34,147	145,274	111,127	325.44
Total Assets	2,028,847	2,240,725	211,878	10.44
Current Liabilities	331,801	364,131	32,330	9.74
Non-current Liabilities	29,437	40,776	11,339	38.52
Total Liabilities	361,238	404,907	43,669	12.09
Share Capital	600,000	646,800	46,800	7.80
Capital Surplus	573,711	748,562	174,851	30.48
Retained Earnings	502,580	456,760	(45,820)	(9.12)
Other Equity Interests	(8,682)	16,749	25,431	292.92
Treasury Shares	—	(33,053)	(33,053)	(100.00)
Non-Controlling Interests	—	—	—	—
Total Equity	1,667,609	1,835,818	168,209	10.09
<p>Main Reasons and Impacts of Significant Changes (Changes of 20% or More and Amounts Exceeding NTD 10 Million) in Assets, Liabilities, and Equity in the Last Two Years; Future Response Plans if Impacts are Significant</p> <p>1. Main Reasons and Impacts of Significant Changes:</p> <p>(1) Other Assets: The main reason is the increase in corporate bonds.</p> <p>(2) Non-current Liabilities: It is mainly due to an increase in net defined benefit liabilities.</p> <p>(3) Capital Surplus: It is mainly due to the issuance of new shares at a premium through a cash capital increase in the current period.</p> <p>(4) Other Equity Interests: This is mainly attributed to the exchange differences arising from the translation of the financial statements of the Thai subsidiary.</p> <p>(5) Treasury Shares: It is mainly due to the repurchase of treasury shares executed during the current period.</p> <p>2. Future Response Plans if Impacts are Significant:</p> <p>The aforementioned changes have no significant adverse impact on the Company, and the overall performance of the Company shows no major abnormalities. Therefore, there is no need to formulate a response plan.</p>				

5.2 Comparative Analysis of Financial Performance : The main reasons for the significant changes in operating income, operating net profit and pre-tax net profit in the past two years, as well as the expected sales volume and their basis, the possible impact on the company's future financial business and corresponding plans.

Unit: NT\$ thousand;%

Item \ Year	2024	2025	Difference	
			Amount	%
Operating revenue	1,085,128	1,092,317	7,189	0.66
Operating Cost	(736,227)	(768,666)	(32,439)	4.41
Gross Profit from Operations	348,901	323,651	(25,250)	(7.24)
Operating expenses	(179,172)	(188,029)	(8,857)	4.94
Net Operating Income	169,729	135,622	(34,107)	(20.09)
Non-Operating Income and Expenses	27,898	1,749	(26,149)	(93.73)
Profit (Loss) from Continuing operations Before Tax	197,627	137,371	(60,256)	(30.49)
Income tax expense	(31,626)	(25,029)	6,597	(20.86)
Net income for the period	166,001	112,342	(53,659)	(32.32)
Other comprehensive income, net	41,232	26,070	(15,162)	(36.77)
Total comprehensive income	207,233	138,412	(68,821)	(33.21)
<p>Main Reasons for Significant Changes (Changes of 20% or More and Amounts Exceeding NTD 10 Million) in Operating Revenue, Operating Profit, and Pre-Tax Profit in the Last Two Years; Estimated Sales Volume and Basis, Possible Impact on the Company's Future Financial Business, and Response Plans</p> <p>1. Main Reasons and Impacts of Significant Changes:</p> <p>(1) Operating income (loss): The appreciation of the Thai baht has increased production costs and squeezed operating profits.</p> <p>(2) Non-Operating Income and Expenses: It is due to exchange losses on U.S. dollar-denominated assets resulting from the appreciation of the New Taiwan dollar.</p> <p>(3) Profit (Loss) from Continuing operations Before Tax: The appreciation of the Thai baht has increased production costs and compressed operating profits.</p> <p>(4) Net income for the period: The appreciation of the Thai baht has increased production costs and compressed operating profits.</p> <p>(5) Other comprehensive income, net: It is due to a decrease in translation exchange differences from the financial statements of foreign operations in the current period.</p> <p>(6) Total comprehensive income: The appreciation of the Thai baht has increased production costs and compressed operating profits.</p> <p>2. Estimated Sales Volume and Basis, Possible Impact on the Company's Future Financial Business, and Response Plans:</p> <p>As the company has not prepared and announced financial forecasts, the estimated sales volume and basis are not applicable. Additionally, the company's financial position remains sound with no liquidity issues, and there are no significant abnormalities in overall operational performance. Therefore, there is no need to formulate a response plan.</p>				

5.3 Cash Flow Analysis : Analysis and explanation of cash flow changes in the most recent year, improvement plan for insufficient liquidity, and cash liquidity analysis for the next year.

5.3.1 Analysis of cash flow changes in the most recent year

Unit: NT\$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Operating Activities	238,548	158,645	(79,903)	(33.50)
Investment activities	(99,992)	(168,371)	(68,379)	(68.38)
Financing activities	(136,966)	73,048	210,014	153.33
Main Reasons for Cash Flow Changes in the Most Recent Year:				
(1) Operating Activities: It is due to the appreciation of the Thai baht, which has increased production costs and compressed operating profits.				
(2) Investing Activities: It is mainly due to the increase in corporate bonds, resulting in higher net cash outflows from investing activities.				
(3) Financing Activities: It is due to the issuance of new shares through a cash capital increase amounting to NT\$249,201 thousand and the repurchase of treasury shares amounting to NT\$88,331 thousand during the current period. Overall, the above factors are expected to result in net cash inflows from financing activities.				

5.3.2 Liquidity analysis for the coming year (2026)

Unit: NT\$ thousand

Balance of cash at the beginning of the period①	Cash flow from operating activities of entire year②	Cash flow from Investment activities of entire year③	Cash flow from Financing activities of entire year④	Balance of cash at the end of the period ①+②+③+④	Remedy against cash deficit	
					Investment activities	Financing activities
451,012	217,342	(116,145)	(105,633)	446,576	NA	NA
1. Analysis of Cash Flow Changes for the Coming Year:						
(1) Operating Activities: The company is expected to remain profitable in 2026, with an increase in net income, generating a net cash inflow from operating activities.						
(2) Investing Activities: Due to the anticipated expansion in business operations in 2026, the company plans to continue acquiring property, plant, and equipment, resulting in a net cash outflow from investing activities.						
(3) Financing Activities: In 2026, the company expects net cash outflows from financing activities due to the payment of cash dividends amounting to NT\$95,520 thousand.						
2. Remedial Measures for Expected Cash Shortfall and Liquidity Analysis: None.						

5.3.3 Improvement plan for insufficient liquidity: None.

5.4 Impact of Significant Capital Expenditures on Financial Business in the Most Recent Year: None.

5.5 Investment Policy, Main Reasons for Profits or Losses, Improvement Plans, and Investment Plan for the Coming Year

5.5.1 Investment Policy

The Company's operational objectives focus on expanding core business operations, accelerating product development, and market expansion. In compliance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the competent authorities, the Company has established "Procedures for the Acquisition or Disposal of Assets" as the basis for conducting investment activities, ensuring proper management of related business and financial conditions. Additionally, to enhance supervision and management of invested companies, the Company has formulated control and management measures for subsidiaries within the internal control system. These measures cover information disclosure, financial management, business operations, inventory, and overall financial management, ensuring the maximum effectiveness of investments.

5.5.2 Investment Policy, Main Reasons for Profits or Losses, Improvement Plans, and Investment Plan for the Coming Year

Unit: NT\$ thousand

Invested Business	Main Business Activities	Recognized Investment Gains (Losses) in 2025	Main Reasons for Profits or Losses	Improvement Plans
KING SHING AUTOMOBILE PARTS CO., LTD.	Manufacturing and Sales of Automotive Components	8,756	Operating Profit	None

5.5.3 Impact of Significant Capital Expenditures on Financial Business in the Most Recent Year: None.

5.6 Risk matters should be analyzed and evaluated for the following matters in the most recent year and as of the date of publication of the annual report.

5.6.1 Effect of Changes in Interest Rate, Foreign Exchange and Inflation on Corporate Finance, and our Countermeasures.

1. Impact of Interest Rate Changes on the Company's Profits and Losses and Future Response Measures

The interest expenses of the Company and its subsidiaries for 2024 and 2025 were NT\$3,162 thousand and NT\$2,860 thousand, respectively, accounting for 0.29% and 0.26% of net operating revenue. The proportions are very low, and the impact on the overall operations of the Company is minimal. Additionally, the Company and its subsidiaries continuously monitor changes in bank financing interest rates and maintain good relationships with financial institutions to accurately grasp future interest rate trends, thereby reducing the impact of interest rate fluctuations on the Company's and

its subsidiaries' profits and losses. Furthermore, the Company and its subsidiaries have stable finances and good credit, with a conservative and prudent approach to financial planning. Therefore, it is expected that future interest rate changes will not have a significant impact on the overall operations of the Company and its subsidiaries.

2. Impact of Exchange Rate Changes on the Company's Profits and Losses and Future Response Measures

The net foreign exchange gains (losses) of the Company and its subsidiaries for 2024 and 2025 were NT\$19,156 thousand and NT\$(11,349) thousand, respectively, accounting for 1.77% and -1.04% of the annual net operating revenue. The Company and its subsidiaries primarily receive payments in US dollars for exports, while payments for imports are mainly in New Taiwan dollars (TWD) and Thai Baht (THB). The Company and its subsidiaries manage exchange rate risk by collecting information on foreign exchange market movements, maintaining close contact with financial institutions, continuously monitoring, and tracking exchange rate trends, and timely adjusting foreign currency holdings according to business needs to mitigate the risk of exchange rate fluctuations.

3. Impact of Inflation on the Company's Profits and Losses and Future Response Measures

In recent years, inflation has led to an increase in raw material prices. The Company and its subsidiaries will closely monitor global political and economic changes as well as market price trends. We will continuously observe price index fluctuations and inflation conditions worldwide. By maintaining good relationships with suppliers and customers, we can timely address the reasonableness of raw material price fluctuations to mitigate the risk of potential increases in raw material costs in the future.

5.6.2 Policies on High-Risk and High-Leverage Investments, Lending to Others, Endorsements and Guarantees, and Derivative Transactions, as well as Main Reasons for Profits or Losses and Future Response Measures in the Most Recent Year and Up to the Date of the Annual Report's Publication

1. Policies on High-Risk and High-Leverage Investments, Main Reasons for Profits or Losses, and Future Response Measures

The Company and its subsidiaries have not engaged in any high-risk or high-leverage investments in the most recent year and up to the date of the annual report's publication.

2. Policies on Lending Funds to Others, Endorsements and Guarantees, and Derivative Transactions, Main Reasons for Profits or Losses, and Future Response Measures

(1) Lending Funds to Others

The Company and its subsidiaries have not engaged in lending funds to others in the most recent year and up to the date of the annual report's publication. In the future, if there is a business need to do so, it will be executed in accordance with the relevant regulations of the competent authorities and the "Procedures for Lending Funds to Others" established by the Company and its subsidiaries.

(2) Endorsements and Guarantees

The Company and its subsidiaries have not engaged in endorsements and guarantees in the most recent year and up to the date of the annual report's publication. In the future, if there is a business need to do so, it will be executed in accordance with the relevant regulations of the competent authorities and the "Procedures for Endorsements and Guarantees" established by the Company and its subsidiaries.

(3) Derivative Transactions

The Company and its subsidiaries have engaged in derivative transactions in the most recent year and up to the date of publication of the annual report, and such transactions were conducted in accordance with the "Procedures for Acquisition or Disposal of Assets" and the "Procedures for Derivative Transactions" as the basis for executing derivative financial transactions.

5.6.3 Future R&D Plans and Estimated R&D Expenditure

1. Future R&D Plans

International car manufacturers are increasingly adopting brushless DC fan motors for cooling systems. Compared to traditional brushed motors, brushless DC motors offer higher efficiency, speed, and dynamic response, as well as significantly reduced electrical noise. Based on our established expertise in electrical engineering, our company has been developing brushless DC motors and their LIN Bus (Local Interconnect Network) technology for over 10 years. The future research and development directions are as follows:

(1) Enhancement of Brushless DC Motor and LIN Bus Technology:

In response to the rise of electric vehicles, our company plans to focus on the development of brushless fan motor products that feature low power consumption, low noise, low vibration, and lightweight design. We have already launched more than 300 types of products for European, American, Japanese, and Korean car models. We will expedite the development of motor fans for various electric vehicle models, while comprehensively improving technology and production precision.

(2) Expansion of Product Specifications for Various Vehicle Types:

Our company has long been dedicated to the motor, electronic control, and electronic technology of automotive cooling system fan motors. In addition to steady growth in the aftermarket (AM), we are actively developing the Original Equipment Suppliers (OES) market. We will continue to invest in the development of products required for different types of vehicles such as logistics vehicles, refrigerated trucks, trucks, and buses, to maximize the economic benefits of our existing R&D data, production experience, and sales channels.

2. Estimated R&D Expenditure

The estimated R&D expenditure will be allocated according to the progress and growth of product development. The R&D expenditure for 2025 is expected to be similar to that of 2024. We plan to continue investing in professional technical personnel, equipment, and new technology development to ensure the company's competitive advantage.

Unit: NTD Thousands; %

Item \ Year	2024	2025
Research and Development Expenses	26,808	29,029
Operating Revenue	1,085,128	1,092,317
Percentage (%)	2.47	2.66

5.6.4 Impact of Significant Domestic and International Policies and Legal Changes on the Company's Financial Business and Response Measures in the Most Recent Year and Up to the Date of the Annual Report's Publication

The Company and its subsidiaries conduct their daily operations in accordance with relevant domestic and international laws and regulations, while continuously monitoring policy developments and collecting information on regulatory changes. This information is reported to management and relevant departments to adjust business strategies accordingly. After evaluating the most recent year and up to the date of the annual report's publication, there have been no significant impacts on the Company's financial business due to changes in domestic or international policies and laws.

5.6.5 Impact of Technological Changes (Including Information Security Risks) and Industry Changes on the Company's Financial Business and Response Measures in the Most Recent Year and Up to the Date of the Annual Report's Publication

The Company and its subsidiaries continuously monitor technological changes and developments within the industry. We strive to enhance our R&D and development capabilities in line with industry and market trends, while keeping abreast of industry dynamics and competitor market information. This allows us to assess the impact on our operations and make necessary adjustments to ensure a competitive market advantage. In the most recent year and up to the date of the annual report's publication, technological changes (including information security risks) and industry changes have not had a significant impact on the Company's financial business.

5.6.6 Impact of Corporate Image Changes on Corporate Crisis Management and Response Measures in the Most Recent Year and Up to the Date of the Annual Report's Publication

The Company and its subsidiaries uphold the principles of professionalism and integrity, valuing corporate image and risk management. In the most recent year and up to the date of the annual report's publication, there have been no instances of corporate image changes leading to crisis management situations for the Company.

5.6.7 Expected Benefits, Potential Risks, and Response Measures for Mergers and Acquisitions in the Most Recent Year and Up to the Date of the Annual Report's Publication

The Company has no plans for mergers and acquisitions in the most recent year and up to the date of the annual report's publication. If there are any merger and acquisition plans in the future, they will be executed in accordance with the Company's "Procedures for Acquisition or Disposal of Assets" and relevant regulations, with a prudent evaluation approach to ensure the interests of the Company and its shareholders.

5.6.8 Expected Benefits, Potential Risks, and Response Measures for Plant Expansion in the Most Recent Year and Up to the Date of the Annual Report's Publication : None.

5.6.9 Risks and Response Measures for Concentration in Purchasing or Sales in the Most Recent Year and Up to the Date of the Annual Report's Publication

1. Purchasing

The Company and its subsidiaries maintain cooperation with multiple suppliers for major raw materials, diversifying procurement to reduce the impact of sudden issues with any single supplier. There have been no instances of supply shortages or interruptions affecting production operations, ensuring stable and reliable supply sources.

2. Sales

The primary products of the Company and its subsidiaries are motor fans for automotive cooling systems and blowers for automotive air conditioning systems. We primarily conduct transactions with reputable sales customers, many of whom are publicly listed companies abroad, maintaining good cooperative relationships. The Company adheres to established credit terms and assesses the reasonableness of payment terms, ensuring proper control and management of operational risks. We also plan to continuously develop new customers to diversify revenue sources and reduce the risk of sales concentration.

5.6.10 Impact, Risks, and Response Measures of Significant Transfers or Changes in Equity by Directors, Supervisors, or Major Shareholders Holding More Than 10% of Shares in the Most Recent Year and Up to the Date of the Annual Report's Publication

In the most recent year and up to the date of the annual report's publication, transfers of the Company's shares by directors, supervisors, or major shareholders holding more than 10% of shares were primarily due to their own financial and inheritance planning adjustments. These transfers, aimed at stabilizing board control and complying listing regulations on equity dispersion, are not expected to have significant impacts or risks for the Company.

5.6.11 Impact, Risks, and Response Measures of Changes in Management Rights on the Company : None.

5.6.12 Litigation or non-litigation events should list the major lawsuits that have been decided or are still pending against the company and its directors, supervisors, general managers, substantive persons in charge, major shareholders with a shareholding ratio of more than 10%, and affiliated companies. , non-litigation or administrative disputes, the outcome of which may have a significant impact on shareholders' rights and interests or securities prices, the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved in the litigation, and the handling of the situation up to the date of publication of the annual report should be disclosed :None.

5.6.13 Other Important Risks and Response Measures : None.

5.7 Other Important Matters: None.

VI 、 Special Provisions

6.1 Related company information: The information disclosed by the declarant on the Public Information Observation Station may be indexed in the annual report for information retrieval.

6.2 Recent and up to the date of printing of the annual report, there have been no private placements of securities.

6.3 Other necessary supplementary explanations: None.

VII 、 If there are events specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that have a significant impact on shareholders' equity or securities prices up to the most recent fiscal year and the publication date of the annual report: None.

KING SHING INDUSTRIAL CO., LTD.

Chairman : Shih, Chun-Chin