



Stock Code: 2476

G-SHANK ENTERPRISE CO., LTD.

2025 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System:

[http:// mops.twse.com.tw](http://mops.twse.com.tw)

Annual Report is available at: <http://www.gs.com.tw>

Printed on May 10, 2026

1. Name, Title, Contact Number, and EMAIL of Company Spokesperson and Deputy Spokesperson:

	<u>Spokesperson</u>	<u>Deputy Spokesperson</u>
Name:	Wen-Yin, Liao	Xio-De, Hu
Title:	Financial Department Manager	G.M.'s Office Manager
Phone:	(03) 477-5141	(03) 477-5141
Email	winy@mail.gs.com.tw	jerry@mail.gs.com.tw

2. Address and Contact number of Company and Factory

Company Address: No. 1, Jiuzhou Rd., Jiuzhou Village, Hsinwu Dist., Taoyuan City

Phone: (03) 477-5141

Xinwu Factory Address: No. 1, Jiuzhou Rd., Jiuzhou Village, Hsinwu Dist., Taoyuan City

Phone: (03) 477-5141

Bade Factory Address: No. 32, Lane 73, Rongxing Rd, Daan Village, Bade District, Taoyuan City

Phone: (03) 361-1994

Guanyin Factory Address: No. 281.283, Sec. 2, Zhong'ai Rd., Guanyin Dist., Taoyuan City

Phone: (03) 477-5141

3. Name, Address, Website and Phone Number of Stock Transfer Agent

Name: Capital Securities Corp.

Address: B2-F, Dunnan Building, No. 97, Sec. 2, Dunhua S. Road, Taipei City.

Address of Stock Transfer Agent: agency.capital.com.tw

Phone: (02) 2702-3999

4. Name of CPA for the financial statements, name of CPA Firm, address, website, and phone number in most recent fiscal year.

Name of CPA: CPA Jui-Wen, Lu , Pin-Chueh, Li

Name of CPA Firm: Diwan & Company

Address: 9F, No. 185, Gangqian Rd., Neihu Dist., Taipei City 11494

Website for CPA Firm: www.diwan.com.tw

Phone: (02) 8751-6006

5. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities; and: None

6. Company Website: www.gs.com.tw

Table of Contents

I.	Letter to Shareholders	1
1.	Letter to Shareholders	1
2.	The 2025 Business Report	2
3.	The 2026 business plan outline	8
4.	Future development strategy of the Company	9
5.	The impact of external competitive environment, regulatory environment, and overall business environment	10
II.	Corporate Governance Report.....	12
1.	Information on Directors, President, Vice Presidents, Assistant Managers, and Heads of Departments and Branches:	12
2.	Remuneration Paid to Directors, Presidents, and Vice Presidents in latest year:	22
3.	Implementation of Corporate Governance:.....	28
4.	Information on Certified Public Accountant Fees:	61
5.	Information on Replacement of Certified Public Accountants:	62
6.	The chairman, president, managerial officer responsible for finance or accounting services of the Company having worked at the CPA firm or affiliated enterprise:	62
7.	Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most current fiscal year up to the date of publication of the annual report:	62
8.	Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree):.....	63
9.	Shareholding of the same reinvestment business through the Company, Company Directors, managerial officers, and the directly or indirectly business controlled by the Company, with the consolidated calculation of comprehensive shareholding ratio:	64
III.	Capital Raising Activities.....	65
1.	Capital and Shares:.....	65
2.	Issuance of Corporate Bonds:	71
3.	Issuance of Preferred Shares:	73
4.	Issuance of Global Depository Receipts:	73
5.	Issuance of Employee Stock Warrants:	74
6.	Issuance of New Restricted Employee Shares:.....	76
7.	Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies:.....	76
8.	Implementation of Capital Allocation Plans	76
IV.	Overview of Operations	78
1.	Description of Business	78
2.	Market Analysis and the Production and Marketing Situation	84
3.	The Number of Employees Employed for the Most Recent Two Fiscal Years, and during the Current Fiscal Year Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels (including the Percentage of Employees at Each Level).....	90
4.	Disbursements for Environmental Protection	90
5.	Labor Relations	91
6.	Cyber and Information Security Management.....	97
7.	Important Contracts.....	99
V.	Review and Analysis of Financial Position and Performance, and Risk Disclosures.....	100
1.	Financial Position.....	100
2.	Financial Performance	101
3.	Cash Flows.....	102

4.	Impact of Major Capital Expenditures on Financial Operations in the Most Recent Fiscal Year.....	103
5.	Reinvestment Policy in the Most Recent Fiscal Year, Key Reasons for the Profits/Losses, Plan for Improving Profitability, and Investment Plans for the Coming Year	103
6.	Analysis and Assessment of Risks for the Most Recent Fiscal Year and the Current Year Up to the Date of the Annual Report Publication.....	104
7.	Other Important Matters.....	108
VI.	Special Items to Be Included.....	109
1.	Information on Affiliates: Consolidated Business Report, Consolidated Financial Statements, and Affiliation Report for the Most Recent Fiscal Year.....	109
2.	Private Placement of Securities during the Most Recent Fiscal Year or during the Current Fiscal Year Up to the Date of Publication of the Annual Report private placement of securities	109
3.	Other Matters that Require Additional Description	109
VII.	Any of the Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities during the Most Recent Fiscal Year or during the Current Fiscal Year Up to the Date of Publication of the Annual Report	109

I. Letter to Shareholders

1. Letter to Shareholders

Dear shareholders:

First of all, I would like to thank you all for taking the time to attend this year's annual shareholder meeting. On behalf of G-Shank Enterprise Co., Ltd., I extend a warm welcome to all our shareholders and express my gratitude for your presence and support.

The financial statements for the fiscal year ended 2025 have been audited and signed off by the Auditors of Diwan & Company. The consolidated operating income of the group was NT\$7.44 billion, a increase of 13% compared to the previous year. The pre-tax net profit was NT\$1.44 billion, a decrease of 13.2% compared to the previous year. The decrease was mainly attributable to the continued increase in raw material prices and labor costs. In addition, non-operating income was affected by factors such as the depreciation of the U.S. dollar and interest rate cuts. As a result, the consolidated net income attributable to the owners of the parent company amounted to NT\$930 million, with earnings per share (EPS) of NT\$4.36, a decrease of 15.8% compared with the previous year.

Despite the current challenging business environment, including the frequent occurrence of international conflicts, the global tariff wars initiated by the United States, the ongoing U.S.-China trade tensions, and inflation driving up raw material costs, our management team has continued to work diligently, implementing various response measures and precisely adjusting our operational strategies and direction. We have leveraged the advantages of the Group's strategic layout and continued to develop relationships with major international clients. Additionally, in response to the company's business development needs, the production capacities of the Guanyin Plant in Taiwan and the Philippines Plant have been completed and are being gradually launched. The Huizhou G-BAO Plant is expected to be completed by the end of the year, which will contribute to increased revenue and profitability. This will allow both shareholders and employees to share in the company's success. We would like to extend our deepest gratitude to all our shareholders, customers, suppliers, and employees for their long-term support and contributions.

Finally, I would like to once again thank all our shareholders for your long-term support and encouragement. I wish you all good health and every success in all your endeavors.

Sincerely,

Lin, Yu-Huang

Chairman

G-SHANK ENTERPRISE CO., LTD.

2. The 2025 Business Report

(1) The results of the business plan

(A) Operating income overview

The Company's consolidated operating income was NT\$ 7,446,012 thousand in 2025, an increase of 12.66% from the NT\$6,609,469 thousand in 2024, mainly due to the increase of sales in parts from an amount of NT\$7,076,196 thousand in 2025 to NT\$6,287,999 thousand in 2024, representing a increase of 12.53%. The main reason for the company's revenue growth is the transformaiton of its product line from consumer-focused to AI and medical applications, resulting in a hifher proportion of revenu from these sectors. The relecant statistics of the produce sales od the Company are illustrated as follows:

Product sales statistics

Unit: NT\$ thousands

Item \ Year	Sales in 2025	Sales in 2024	Growth rate
Parts	7,076,196	6,287,999	12.53%
Tooling	246,799	204,034	20.96%
Tools	47,082	49,538	-4.96%
Instruments	75,935	67,898	11.84%
Total	7,446,012	6,609,469	12.66%

(B) Profit and loss overview

The Company's net income before tax was NT\$1,442,043 thousand in 2025, representing an decrease of 13.20% from the NT\$1,661,285 thousand in 2024. The overall gross margin was mainly affected by the continued increase in raw material prices and labor costs. Although benefiting from a 12.66% growth in overall revenue, operating profit still increased by 6.9% compared with the previous year, non-operating income decreased by 61% year-over-year due to factors such as the depreciation of the U.S. dollar and interest rate cuts. As a result, net profit after tax for 2025 amounted to NT\$1,052,690 thousand, representing a decrease of 12.49% from NT\$1,202,918 thousand in 2024. The profit and loss overview, budget execution, financial income and expenditure overview, and profitability analysis are detailed as follows:

Profit and Loss Overview

Unit: NT\$ thousands

Item	Actual amount in 2025	Actual amount in 2024	Increase / Decrease ratio
Operating income	7,446,012	6,609,469	12.66%
Operating cost	5,165,041	4,459,380	15.82%
Gross profit	2,280,971	2,150,089	6.09%
Operating expense	1,029,582	979,309	5.13%
Other income, expense, and loss - net	383	383	-
Operating profit	1,251,772	1,171,163	6.88%
Non-operating income and expense	190,271	490,122	-61.18%
Net income before tax	1,442,043	1,661,285	-13.20%
Income tax expense	389,353	458,367	-15.06%
Net income	1,052,690	1,202,918	-12.49%
Net income attributable to			
Parent company's shareholders	928,608	1,064,324	-12.75%
Non-controlling interests	124,082	138,594	-10.47%
Earnings per share	4.36	5.18	-15.83%

(2) Budget execution

The Group did not disclose the financial forecast to the public in 2025.

(3) Financial income and expense overview

Unit: NT\$ thousands

Item	2025	2024	Increase (Decrease) ratio
Non-operating income and expense	Interist income	216,035	240,561 -10.20%
	Other income	50,307	24,321 106.85%
	Other profit and loss	(1,660)	173,498 -100.96%
	Financial cost	(23,443)	(31,215) -24.90%
	Percentage of profit from the associates under the equity method	(6,084)	14,016 -143.41%
	Foreign currency exchange loss - net	(44,884)	68,941 -165.10%
	Subtotal	190,271	490,122 -61.18%

(4) Profitability analysis

Item		2025	2024	
Financial structure	Ratio of Liability to Assets (%)	27.19	27.91	
	Ratio of Long term fund to fixed assets (%)	337.28	339.59	
Profitability	Ratio of Return on Total assets (%)	8.40	11.06	
	Ratio of Return on Shareholders' Equity (%)	12.26	16.75	
	Ratio to issued capital stock (%)	Operating income	57.49	55.74
		Net income before tax	66.22	79.07
	Profit Ratio (%)	14.14	18.20	
Earnings per share (NTD)	4.36	5.18		

(5) Research and development status

(A) Industry analysis

The Company has maintained a long-term focus on the design and manufacturing of component molds for the computer, information technology, and home appliance sectors, while continuously promoting product application transformation and expanding into the automotive, industrial equipment, and medical sectors. As of 2025, this strategic transformation has begun to deliver tangible results: revenue contributions from 3C products accounted for 49%, industrial equipment and medical applications 33%, and the automotive sector 18%, reflecting a more balanced business structure. Meanwhile, the Company's products are primarily export-oriented, with overseas markets accounting for nearly 80% of total revenue, demonstrating the Company's strong competitiveness in the international market. Through long-term cooperation with global customers, the Company is able to enhance revenue stability, diversify risks arising from economic fluctuations in any single market or region, strengthen its overall competitive foundation, and improve long-term growth momentum.

(a) 3C electronics industry:

The rise of 5G communications has driven three major trends—high bandwidth, massive connectivity, and low latency. Coupled with the growing adoption of Wi-Fi 7, AI applications, and AR/VR devices, the demand for faster data transmission continues to escalate. According to data from International Data Corporation and TrendForce, the compound annual growth rate (CAGR) of the AI server market is projected to exceed 20%, which is expected to significantly drive demand for high-speed connectors and precision metal components. This has further enabled the advancement of real-time connectivity, smart factory optimization, telemedicine, and virtual education. These emerging applications are also accelerating the development of next-generation component technologies such as motion tracking, spatial sensing, and haptic feedback. Moreover, the deeper integration of AI with edge computing and sensor technologies is expected to significantly enhance the perceptive and decision-making capabilities of future sensing solutions. Naturally, such progress does not arise in a vacuum—it must

be built upon ongoing technological upgrades to existing hardware and software infrastructures. As a result, the requirements for key components in terms of lightweight design, precision, and functionality are rapidly advancing to higher levels—an area where our Company holds a distinct competitive advantage. The Company has successfully entered the supply chain for high-speed transmission connectors and power module related components, and has gradually progressed from the development stage to mass production implementation. These businesses are expected to become one of the key drivers for the Company's future revenue growth and profitability enhancement.

(b) Vehicle related:

The traditional automotive supply chain has relied on large-scale mold production to reduce costs. In recent years, the rapid development of smart technologies has driven the integration of various intelligent electronic devices in vehicles, strengthening ties with the electronics industry. Meanwhile, the rise of environmental awareness has accelerated the growth of the electric vehicle (EV) market, with global automakers investing heavily. According to forecasts from the International Energy Agency and McKinsey & Company, the global electric vehicle penetration rate is expected to be approximately 18% in 2025 and is projected to increase to 30%–35% by 2030, indicating that demand for automotive electronics and high-frequency connectors will continue to grow. Consequently, demand for components such as automotive connectors and ECUs is expected to rise significantly. Electrification and intelligence have become the key drivers of industry transformation. Our Company has established a solid presence in this field, offering ECUs, FAKRA connectors, aluminum heat dissipation brackets, and in-car AV modules. We actively participate in technology development and are well positioned for continued growth.

(c) Industrial equipment:

Amid rising labor costs, automated assembly and production have become the preferred solution for manufacturers to reduce expenses and lower personnel-related risks. This has led to steady growth in demand for key components used in automation equipment, such as relays, PLCs, molded case circuit breakers, and circuit breakers. As an upstream supplier in the industrial, automotive, and medical sectors, our Company ensures stable delivery of electronic components while maintaining high flexibility. We can swiftly adjust processes and technologies to meet varying market needs. The Company possesses strong capabilities in rapid process adjustment and application transformation, enabling it to effectively respond to changing demands across different industries, which constitutes one of its key competitive advantages.

(B) Responsive strategies

- (a) The traditional contract manufacturing model based solely on processing customer-supplied materials is no longer sufficient to cope with the rapidly changing global market. To enhance value and competitiveness, our Company has

upgraded its electronic component supply model to ODM, actively integrating into and participating in customers' early-stage design and development processes as a key focus for future growth. This helps enhance product value-added and strengthen customer loyalty, thereby reducing price competition pressure and improving overall profitability.

- (b) Our Company specializes in metal stamping and plastic injection molding, and has completed an integrated end-to-end manufacturing process covering mold design, stamping, electroplating, injection molding, and assembly, achieving a one-stop supply capability from components to finished products. This integration significantly shortens product development lead time, reduces customers' supply chain management costs, and enhances customer loyalty while raising the barriers to switching suppliers, thereby strengthening long-term cooperative relationships.
- (c) Under the characteristics of technology-intensive industries, the inheritance of craftsmanship and technical expertise is vital to the Company's sustainable development. In addition to the continued operation of its internal training center and collaborative initiatives with three academic institutions through industry-academia partnerships, the Company has adopted a mentorship-based training system. This one-on-one, in-depth instructional approach facilitates the effective transmission of core technologies and enhances the overall technical competency of the team.
- (d) Building upon its existing foundation in 3C electronic components, the Company has expanded its market scope to include automotive-related applications and industrial equipment. As of 2025, the revenue composition is as follows: 49% from 3C products, 18% from automotive-related applications, and 33% from industrial equipment and others. In the medium to long term, the Company aims to achieve a balanced distribution among these three major segments, with each accounting for one-third of total revenue by 2026.
- (e) In response to the growing demand in the automotive market, the Company has implemented the Toyota Production System (TPS) to comprehensively enhance its production management capabilities. Key initiatives include reducing mold changeover time, improving process integration efficiency, and promoting visual management. From procurement, incoming material inspection, production, and processing to quality assurance and shipping, the Company continuously pursues lean improvements in manpower, materials, and processes to meet the stringent requirements of the automotive market for high quality and high reliability.
- (f) The Company continues to strengthen customer relationship management, upholding "manufacturing" as its core value. By integrating the most suitable processes based on customer requirements, the Company provides professional technical support to help clients shorten product development cycles. Committed to excellence, the Company strives to become the most trusted development partner for its customers.

(g) R&D Direction and Structure

The Company's R&D focus is on "high-speed transmission connectors," "automotive electronic components," and "automation process integration." By combining mold design, precision stamping, and surface treatment technologies, the Company has established a highly integrated one-stop manufacturing process covering mold design, stamping, electroplating, injection molding, and assembly. This integrated approach significantly shortens product development lead time, reduces customers' supply chain management costs, and raises the barrier to switching suppliers, thereby fostering long-term cooperative relationships. It also enhances product value-added and market competitiveness, while further optimizing the product mix and gross margin structure. As a result, the proportion of high value-added products is expected to increase, strengthening the overall product portfolio and long-term profitability.

(C) Research & Development achievements

(a) Development of Precision Terminal Molds

As electronic products continue to evolve toward miniaturization, lightweight design, and high performance, micro board-to-board connector technologies are advancing accordingly. These connectors are widely applied in communications, consumer electronics, automotive devices, and other fields, with market demand showing steady growth. In response to this trend, the Company has actively invested in the development of high-speed terminal molds. Collaborating with a Japanese technical team, the Company has undertaken comprehensive learning across mold design, component machining, and assembly techniques. In 2025, the Company developed a total of 696 new molds, representing an increase of 163 molds compared with the previous year, or growth of approximately 30.6%. The Company also successfully developed multiple sets of high-speed connector and precision terminal molds, continuously strengthening its technological capabilities and expanding application fields. This demonstrates the Company's ability to continuously secure new orders and advance technology development, while also reflecting strong momentum in customer project implementation, providing important support for future revenue growth and order visibility.

(b) Development of Precision Spot Plating Technology

In line with the application of micro high-speed stamped terminals, the Company has simultaneously undertaken the independent development of precision spot plating technology. This technology enables precise control of plating areas and enhances coating accuracy, effectively reducing precious metal consumption. In particular, gold prices experienced significant increases and sharp fluctuations in 2025, rising from approximately USD 2,600/oz to over USD 4,500/oz, representing an annual increase of more than 60%, one of the largest increases in the past 40 years. Under such circumstances, gold prices have shown a high degree of uncertainty and short-term volatility. Accordingly, through the development of precision selective plating technology, the Company is able not only to effectively

reduce the consumption of precious metals and material costs, but also to enhance product gross margins, pricing flexibility, and cost control capabilities. It also improves plating uniformity and contact performance, making it well-suited for high-end applications in the electronics, medical, and automotive sectors. From the design and fabrication of plating fixtures to testing and mass production, all processes are internally developed and executed, thereby strengthening quality control and enhancing process competitiveness.

(c) Development of Integrated Production Process for Industrial Equipment Contact Parts

Leveraging our core manufacturing capabilities in stamping, electroplating, injection molding, and assembly, our company has further integrated a fully streamlined production process for AC contactor components used in industrial equipment. These components play a critical role in preventing equipment damage caused by power overload. The development process encompasses metal stamping, diode riveting, embedded injection molding, laser marking, and electrical inspection. We have adopted a fully automated, human-machine separation production model, successfully integrating into the product lines of European clients and earning high recognition along with opportunities for continued collaboration.

(d) Multiple invention patents

GUI detection software AI Master new (invention) patent, AIOT common gateway interface APIs platform technology new (invention) patent, and flat image precision dimension measurement new (invention) patent help reinforce the information technology and services of G-SHANK ENTERPRISE CO., LTD.

3. The 2026 business plan outline

(1) Operating strategy:

Uphold the corporate culture of kindness, integrity, courage, and responsibility. Extend and adjust the Company's internal physique with "energy," "action," "movement," "discipline," "art," "goodness," "ability," "integrity," "truth," "positiveness," "harmony," "sincerity," "diligence," "win," "people" and "synergy" Form an attitude of practical, courageous execution, and uplifting team morale. Also, provide customers with professional, fast, ample, and massive service with a stable, healthy, simple, and practical business policy. Finally, achieve the management indicators of self-interest, altruism, and the greater good of the society taking as a whole; enhance management in the three aspects of quality, cost, and benefit.

(A) Decentralized markets, diversified operations, and generated income.

(B) Enhance product quality control.

(C) Reduce costs and increase profitability.

(D) Internal management requires fair and reasonable rewards for merits and good deeds.

- (E) 6S continuous pursuit of excellence
- (F) Introduce TPS lean production system.
- (2) Expected sales volume and the reference: The Group does not have to disclose the financial forecast for 2026.
- (3) Important production and marketing policies:
 - (A) Substantiate ISO system, introduce IATF 16949, and improve product quality.
 - (B) Production and sales/production planning is responsible for internal and external production management to meet customer delivery requirements.
 - (C) The headquarters sales team and overseas plants operate independently while mutually supporting one another.
 - (D) Leveraging the Group's strengths, the Company has established a global multi-site production footprint to effectively diversify geopolitical, tariff, and supply chain concentration risks, while enhancing its ability to serve customers locally and improving overall operational resilience.
 - (E) Refine technology research and development and set up a "Technology Committee" to promote innovation and enhance competitiveness.
 - (F) Design of a brand new globally applicable website of the Group for international marketing.
 - (G) Substantiate education and training; actively train independent and internationalized talents.
 - (H) Quality objectives:
 - (a) Customer complaints are less than 8 cases per month.
 - (b) Sales return rate due to quality issue is PPM 2500 per month or less.
 - (c) Manufacturing process loss rate is below 0.92% per month.

4. Future development strategy of the Company

The Company focuses on the principle of "developing the main business," that is, the development and production of precision molds. That's how it is and will be for the Company. However, market information is constantly changing and technology is working progress; therefore, the Company's development strategy will be implemented in multiple aspects:

- (1) Continue to develop international market and fulfill market demand, we will be at where we are needed.
- (2) Vertical integration of upper and lower manufacturing processes and one-stop solution to meet customer needs;
- (3) Diversify market risks and aim to reach one-third of revenues from 3C/vehicle/industrial equipment.
- (4) Cooperate with Japanese industry and create a win-win situation with technology/market mutual-supplementation.
- (5) Participate in customer research and development, provide key mold technology, and work jointly to shorten the development schedule.

In addition, the Company continues to promote innovation and enhance quality control internally. The delivery management platform and the price management platform have been

established currently. A control and management of raw material, price, manufacturing process, and delivery is systemized so to make the real-time and visible information available to the management. G-SHANK ENTERPRISE CO., LTD. basing on the various needs of customers plans to build a manufacturing process integration platform and to continuously improve and optimize the operation process for the satisfaction of customers and for a better operation per se in response to future challenges.

5. The impact of external competitive environment, regulatory environment, and overall business environment

(1) Impact of external competitive environment

Stamping industry is with a low entry threshold. More than 80% of the domestic operations are by small-scale business entities (less than 30 employees) according to the statistics of Taiwan Mold & Die Association. While facing the demand for a low manufacturing cost, price competition is severe that is to the disadvantage of the Company.

Chinese government has forcefully supported the fundamental industries, including tooling industry, in recent years with various preferential measures offered continuously (tax relief / low-interest loans, etc.); also, Japan, South Korea, and Taiwan have invested in the tooling industry in China with many talents cultivated. The scale, technology, management, and other aspects of the current tooling industry in China have approached or even surpassed the tooling industry in Taiwan. The rise of tooling industry in mainland China is of disadvantage to the business operation of the Company.

Therefore, the Company expects to face more severe competitions externally and exchange rate risks continuously. Especially, electronic products are the most important exports of Taiwan. The Company will continue to rely on the profound mold technology capabilities, the continuous betterment of various manufacturing processes, and the integration of upstream and downstream processes to enhance quality control. The Company bases on the advanced automation production and peripheral equipment, integrated information management system, and self-developed visual inspection system (AI CCD vision system) to gradually realize unmanned and automation production. The Company has comprehensive mold design, processing, and assembly capabilities with more than 95% mold parts made in-house, and can quickly cooperate with customers to develop precision parts and to prepare samples. There are 17 factories and 2 offices globally with the mold R&D centers set up in Taiwan and Shanghai. The R&D budget accounts for 2.38% of the Company's annual revenue. In response to ongoing global challenges such as frequent geopolitical conflicts, uncertainty in tariff policies, and fluctuations in raw material prices, the Company continues to promote process integration and technological upgrades, while strengthening its quality control and cost management capabilities.

Amid the trend of supply chain restructuring and adjustments in global manufacturing footprints, the Company leverages its integrated manufacturing process and global presence to maintain a relative competitive advantage. This enables the Company to further expand market opportunities and ensure long-term stable growth, thereby enhancing overall operational stability and long-term profitability.

(2) Regulatory environment

Since the United Nations' adoption of the Paris Agreement in 2015, which sets the global target of limiting the rise in global temperatures to within 2°C above pre-industrial levels and striving to limit it within 1.5°C, countries and businesses around the world have proposed their own carbon reduction targets. For instance, the Taiwanese government plans to revise the "Greenhouse Gas Reduction and Management Act" to the "Climate Change

Adaptation Act" and include a net-zero emissions target by 2050 in the regulation. Therefore, the global shift towards a low-carbon transformation is an irreversible trend.

Our company actively promotes carbon reduction in line with United Nations and national policies. Prior to embarking on carbon reduction initiatives, it is essential to understand our own greenhouse gas emissions in order to identify effective carbon reduction projects and maximize their benefits. To achieve this, G-Shank has adopted the international standard ISO 14064-1:2018 and systematically conducted greenhouse gas emission inventories and list establishment for our facilities in Taiwan (including the Xinwu and Bade plants). We have documented internal procedures, completed verification processes to provide reference and we have assisted our subsidiaries in conducting their own greenhouse gas emission inventories, providing a solid foundation for the development of cost-effective emission reduction and improvement measures in the future. Our efforts are directed towards advancing towards a low-carbon economy.

(3) Impact of overall business environment

We while facing the aforementioned external competition and domestic production cost increase base on the business philosophy of sustainable management, continuous technology innovation, manufacturing process integration from top to bottom, new project introduction, creation of an environment complying with regulations, etc. to be differentiated from the competitors in the sense of technology/delivery time/quality/environmental protection so to exercise our greatest advantage to give customers a peace of mind. We must secure an irreplaceable dominant position in the supply chain, adhere to a prudent and rigorous management attitude and concept, and continue to cultivate talents and develop specialized technologies at the 19 operation bases worldwide with a global supply network and sales system formed. The Company shall face up to the uncertain factors in the global economy calmly and respond to the challenges with a rigorous and responsible attitude for the pursuit of an optimized cost structure and the creation of better and finer quality products that are recognized by customers and will help generate more profits for the good of the shareholders and employees taking as a whole.

II. Corporate Governance Report

1. Information on Directors, President, Vice Presidents, Assistant Managers, and Heads of Departments and Branches:

(1) Directors

(A) Director Information

April 14, 2026; Unit: Shares

Title	Nationality/ Country of Origin	Name	Sex Age	Date of Election (Taking Office)	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Current Shareholding		Shareholding by Nominee Arrangement		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives, Directors who Are Spouses or within Second Degree of Kinship			Remarks
							Shares	Shareholding Ratio	Shares	Sharehold ing Ratio	Shares	Sharehold ing Ratio	Shares	Sharehold ing Ratio			Title	Name	Relation	
Chairman	Republic of China	Lin, Yu- Huang	Male 71-80	2023.6.9	3	1990.6.25	8,612,089	4.52%	8,612,089	3.95%	5,687,897	2.61%	0	0	Department of Administration, Takming University of Science and Technology	Chairman of G-Shank Enterprise (M) Sdn. Bhd. Chairman of Shanghai G-Shank Precision Machinery Co., Ltd. Chairman of Great Shank Co., Ltd. Chairman of Chin De Investment Co., LTD. Chairman of GRAND STAR ENTERPRISES L.L.C. Chairman of Global Star International Co.,Ltd Director of G-Long Precision Machinery (Dong Guan) Co., Ltd. Director of Qingdao G-Shank Precision Sdn. Bhd. Chairman of G-Shank Precision Machinery (Suzhou) Co., Ltd. Chairman of Xiamen G-Shank Precision Machinery Co., Ltd. Chairman of Tianjin G-Shank Precision Machinery Co., Ltd Chairman of Shanghai G-Shank Precision Hardware Co., Ltd . Chairman of Shenzhen G-Shank Precision Sdn. Bhd. Chairman of Shenzhen G-Bao Precision Sdn. Bhd. Chairman of Hubei Hanstar Electronics Technology Co., Ltd. Director of Chen Guang Investment Co., Ltd.	Director	Tseng, Chia-Jung	Affinity	(Note 2)
															Director	Lin, Ying- Shuo	Parent- child			
															General Manager	Lin, Ying- Chih	Parent- child			

Title	Nationality/ Country of Origin	Name	Sex Age	Date of Election (Taking Office)	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Current Shareholding		Shareholding by Nominee Arrangement		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives, Directors who Are Spouses or within Second Degree of Kinship			Remarks
							Shares	Shareholding Ratio	Shares	Sharehold ing Ratio	Shares	Sharehold ing Ratio	Shares	Sharehold ing Ratio			Title	Name	Relation	
Director	Republic of China	Lin, Hsien- Kuo	Male 81-90	2023.6.9	3	1990.6.25	3,793,106	1.99%	3,793,106	1.74%	53,607	0.02%	0	0	Mechanical Engineering, Tatung University Vice President of Taiwan Hosiden Co., Ltd. and Vice President of G- Shank Enterprise Co., Ltd.	Supervisor of G-Shank , Inc. Chairman of G-Long Precision Machinery (Dong Guan) Co., Ltd. Director of Xiamen G-Shank Precision Machinery Co., Ltd. Director of Tianjin G-Shank Precision Machinery Co., Ltd Supervisor of Shenzhen G-Bao Precision Sdn. Bhd.	-	-	-	
Director	Republic of China	Tseng, Chia- Jung	Male 61-70	2023.6.9	3	1990.6.25	2,362,703	1.24%	2,362,703	1.08%	477,899	0.22%	0	0	Mechanical Engineering, Ching Hua High School	Director & General Manager of Shanghai G- Shank Precision Machinery Co., Ltd. Director of G-Long Precision Machinery (Dong Guan) Co., Ltd. Director & General Manager of G-Shank Precision Machinery (Suzhou) Co., Ltd. Director & General Manager of Qingdao G- Shank Precision Sdn. Bhd. General Manager of Hong Jing (Shanghai) Electronics Co., Ltd. Director & General Manager of Tianjin G-Shank Precision Machinery Co., Ltd Director & General Manager of Shanghai G- Shank Precision Hardware Co., Ltd . Director & General Manager of Shenzhen G- Shank Precision Sdn. Bhd. Director & General Manager of Shenzhen G- Bao Precision Sdn. Bhd. Director of G-Shank Japan Co., Ltd. General Manager of Hubei Hanstar Electronics Technology Co., Ltd.	Chairman	Lin, Yu- Huang	Affinity	
Director	Republic of China	Lin, Ying- Shuo	Male 41-50	2025.6.13	1.5	2017.6.16	1,719,643	0.82%	1,821,643	0.83%	179,803	0.08%	1,734,603 (Note1)	0.08%	Bachelor in Physics, National Chung Hsing University General Manager, G-SHANK Enterprise Co., Ltd.	General Manager of G-Shank Enterprise Co., Ltd. Director of G-Shank Enterprise (M) Sdn. Bhd. Chairman of G-Shank , Inc Director of Shanghai G-Shank Precision Machinery Co., Ltd. Supervisor of Chin De Investment Co., LTD. Chairman of Hong Jing (Shanghai) Electronics Co., Ltd. Director of Xiamen G-Shank Precision Machinery Co., Ltd.. Director of G-Shank Precision Machinery (Suzhou) Co., Ltd. Chairman of Qingdao G-Shank Precision Sdn. Bhd. Director of Shenzhen G-Bao Precision Sdn. Bhd.. Director of G-Shank Japan Co., Ltd. Director of Ji Hong Investment Co., Ltd. Chairman of Chen Lin Investment Co., Ltd. Director of Hong Yue Investment Co., Ltd. Supervisor of Chen Guang Investment Co., Ltd. Chairman of Hong Lin Investment Co., Ltd. Chairman of Run Lin Investment Co., Ltd.	Chairman Director & Deputy General Manager	Lin, Yu- Huang Lin, Ying- Chih	Parent- child Sibling	(Note 2)

Title	Nationality/ Country of Origin	Name	Sex Age	Date of Election (Taking Office)	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Current Shareholding		Shareholding by Nominee Arrangement		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives, Directors who Are Spouses or within Second Degree of Kinship			Remarks
							Shares	Shareholding Ratio	Shares	Sharehold ing Ratio	Shares	Sharehold ing Ratio	Shares	Sharehold ing Ratio			Title	Name	Relation	
Director	Republic of China	Lin, Ying- Chih	Male 41-50	2023.6.9	3	2023.6.9	3,468,439	1.82%	3,588,439	1.64%	955,533	0.44%	0	0	Master in Business Administration, Adelphi University Deputy General Manager of G- Shank Enterprise Co., Ltd.	Deputy General Manager of G-Shank Enterprise Co., Ltd. Director of Chin De Investment Co., LTD. Director of Shanghai G-Shank Precision Hardware Co., Ltd . Supervisor of Qingdao G-Shank Precision Sdn. Bhd. Director of Shenzhen G-Shank Precision Sdn. Bhd. Supervisor of Hubei Hanstar Electronics Technology Co., Ltd. Chairman of G-Shank Philippines Corp. Director of G-Shank Japan Co., Ltd. Director of Ji Hong Investment Co., Ltd. Chairman of Hong Yue Investment Co., Ltd. Chairman of Chen Guang Investment Co., Ltd. Director of Hong Lin Investment Co., Ltd.	Chairman	Lin, Yu- Huang	Parent- child	(Note 2)
Independent Director	Republic of China	Ma, Shu- Chin	Female 51-60	2023.6.9	3	2017.6.16	30,000	0.02%	31,768	0.01%	0	0.00%	0	0	Master in Accounting, Chinese Culture University Accountant	CPA at CHIALIN CPA Firm Director of Agricultural Technology Research Institute Independent Director, PADAUK Technology Co., Ltd Independent Director, FULLERTON Technology Co., Ltd	-	-	-	
Independent Director	Republic of China	Liao, Ya- Ling	Female 41-50	2023.6.9	3	2020.6.15	200,000	0.10%	133,792	0.06%	74,357	0.03%	0	0	Master in Chemical Engineering, National Chung Cheng University and Supplier Chain Manager, Apple Inc. Taiwan Branch	The QC Manager of Suppliers for Applied Materials, Inc.	-	-	-	
Independent Director	Republic of China	Chen, Hung-Yi	Male 71-80	2023.6.9	3	2021.7.16	0	0	0	0	26,269	0.01%	0	0	B.S. in Civil Engineering, Chung Yuan Christian University and Section Chief at National Property Administration, Ministry of Finance	None	-	-	-	
Independent Director	Republic of China	Liu, Ssu- Min	Female 41-50	2023.6.9	3	2023.6.9	0	0	1,000	0	0	0.00%	0	0	Master in Department of Industrial Economics, Tamkang University Director of Financial Accounting Department of Kimlan Foods Co., Ltd.	The Section Manager Of Financial Division For Hsin Chong Machinery Works Co. Ltd.	-	-	-	

Note 1: Holds a 0.8% equity interest in the Company through Runlin Investment Co., Ltd., in which a 99.77% shareholding is owned.

Note 2: When the company chairman and president or person with equivalent position (Executive manager) is the same person, spouse to each other or relative by first degree kinship, explain the reason, rationality, necessity, and information related to the response actions:

- (a) The Company has developed in the market entering the 50th year. The Chairman and founding managers led all professional leaders to expand overseas in China, Malaysia, Mexico, Thailand, Indonesia, and Philippines with 17 production centers established. G-SHANK GROUP is a domestic professional progressive stamping factory that builds a strong group through excellent group and corporate system and regulations. Although the chairman and president are related by first degree kinship, the president has worked in the company for over 20 years and has been promoted to the president of the company due to the professional skills and the G-SHANK cooperate system and regulations. The personnel is placed on the right position with proper talents, who meets the qualification for G-SHANK Group manager.
- (b) The company established an audit committee on June 15, 2020, and during the comprehensive board of directors election on June 9, 2023, four independent directors were appointed. Besides specifying their duties, the audit committee can enhance and supervise the governance functions of the board of directors, thereby reducing concerns from regulatory authorities regarding the concentration of power in family-owned businesses due to close relationships between the chairman and general manager.

(B) Major shareholders who are juristic person shareholders: None

(C) Major shareholders of juristic person shareholders who are juristic person representative: None

(D) Information Disclosure of Directors' Professional Qualification and Independent Directors' Compliance with Independence:

April 14, 2026

Director Name	Criteria Professional Qualification and Experience (Note 1)	Compliance with Independence (Note 2)	Number of Independent Directors of Other Public Offering Companies
Chairman Lin, Yu-Huang	Over 50 years of work experience required for company operations. One of the first founders of the Company and is currently acting as the chairman of the company and the chairperson of the group. Not a person specified in any subparagraph of Article 30 of the Company Act.	N/A	0
Director Lin, Hsien-Kuo	Over 40 years of work experience required for company operations. Worked as the vice president of Taiwan Hosiden Co., Ltd. and the Company. Not a person specified in any subparagraph of Article 30 of the Company Act.	N/A	0
Director Tseng, Chia-Jung	Over 40 years of work experience required for company operations. Currently working as the president of SHANGHAI JUXIANG PRECISION MOULD LIMITED COMPANY. Not a person specified in any subparagraph of Article 30 of the Company Act.	N/A	0
Director Lin, Yin-Shuo	Over 23 years of work experience required for company operations. Currently working as the General Manager of the Company. Not a person specified in any subparagraph of Article 30 of the Company Act.	N/A	0
Director Lin, Yin-Chih	Over 19 years of work experience required for company operations. Currently working as the Deputy General Manager of the Company. Not a person specified in any subparagraph of Article 30 of the Company Act.	N/A	0
Independent Director Ma, Shu-Chin	Over 20 years of work experience required for company operations. Currently working as the CPA at CHIALIN CPA Firm. Not a person specified in any subparagraph of Article 30 of the Company Act.	(1) The independent director of the Company, in compliance with independence. (2) Not the independent director, the spouse or a relative within the second degree of kinship acts as the director, supervisor or employee of the Company or its affiliate enterprises; not the director, supervisor or employee of	2
Independent Director Liao, Ya-Ling	Over 20 years of work experience required for company operations. Currently working as the QC manager of supplier for Applied Materials, Inc. Not a person specified in any subparagraph of Article 30 of the Company Act.		0

Independent Director Chen, Hung-Yi	Over 40 years of work experience required for company operations. Currently working as the section chief at National Property Administration, Ministry of Finance. Not a person specified in any subparagraph of Article 30 of the Company Act.	(3) the company with specific relation to the Company. Not a professional individual, company, or institution that provides commercial, legal, financial, or accounting services to the Company or to any affiliated company for the amount of compensation acquired from the latest 2 years.	0
Independent Director Liu, Ssu-Min	Over 19 years of work experience required for company operations. Currently serving as the section chief of the Finance Department at Hsin Chong Machinery Works Co. Ltd. Not a person specified in any subparagraph of Article 30 of the Company Act.		0

Note 1: Professional Qualification and Experience: Specify the professional qualification and experience of individual director and supervisor. If the director or supervisor is a member of the Audit Committee with expertise in accounting or finance, specify the accounting or financial background and work experience. Additionally, specify any circumstances specified in Article 30 of the Company Act. Please refer to the information on directors for the relevant education and work experience for Company directors and independent directors.

Note 2: Specify the compliance of independence by independent directors, including but not limited to the independent director, spouse, relative by second degree kinship, and if they serve as the director, supervisor or employee of the Company or affiliated enterprise. The shareholding and ratio of Company shares by person, spouse, and relative by second degree kinship (or under other's name); serving as the director, supervisor or employee of companies with specific relation with the Company (refer to the provisions stated under subparagraph 5~8, paragraph 1 of Article 3 in Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). The amount of remuneration acquired by offering the commercial, legal, financial, and accounting services to the Company or affiliated enterprise in the most recent two years.

(E) Diversity and Independence of Board of the Directors:

The Company complies with Article 20 of Corporate Governance Best Practice and takes consideration of diversity in Board members by formulating applicable diverse guidelines based on the company operations, operation model and development needs.

(a) Background

Name of Director	Sex	Professional background	Professional Skills	Professional Experience
Lin, Yu-Huang	M	✓	✓	✓
Lin, Hsien-Kuo	M	✓	✓	✓
Tseng, Chia-Jung	M	✓	✓	✓
Lin, Ying-Shuo	M	✓	✓	✓
Lin, Ying-Chih	M	✓	✓	✓
Ma, Shu-Chin (Intendent Director)	F	✓	✓	✓
Liao, Ya-Ling (Intendent Director)	F	✓	✓	✓
Chen, Hung-Yi (Intendent Director)	M	✓	✓	✓
Liu, Ssu-Min (Intendent Director)	F	✓	✓	✓

(b) Diverse Core Competences

Name of Director	Diverse Core											
	Sex	Age	Nationality	Year Elected Director	Operation Judgment Capacity	Accounting and Financial Analysis Capacity	Managerial Capacity	Crisis Response	Industry Knowledge	International Marketing Perspective	Leadership	Decision Making
Lin, Yu-Huang	M	71-80	ROC		✓	✓	✓	✓	✓	✓	✓	✓
Lin, Hsien-Kuo	M	81-90	ROC		✓	✓	✓	✓	✓	✓	✓	✓
Tseng, Chia-Jung	M	61-70	ROC		✓	✓	✓	✓	✓	✓	✓	✓
Lin, Ying-Shuo	M	41-50	ROC		✓	✓	✓	✓	✓	✓	✓	✓
Lin, Ying-Chih	M	41-50	ROC		✓	✓	✓	✓	✓	✓	✓	✓
Ma, Shu-Chin (Intendent Director)	F	51-60	ROC	3 rd	✓	✓	✓	✓	✓	✓	✓	✓
Liao, Ya-Ling (Intendent Director)	F	41-50	ROC	2 nd	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Hung-Yi (Intendent Director)	M	71-80	ROC	2 nd	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Ssu-Min (Intendent Director)	F	41-50	ROC	1 st	✓	✓	✓	✓	✓	✓	✓	✓

(2) President, Vice President, Assistant Manager, and Heads of Departments and Branches:

April 14, 2026: Unit: Shares

Title	Nationality	Name	Sex	Date Elected (Office)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives who Are Spouses or within Second Degree of Kinship			Remarks
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relation	
General Manager	ROC	Lin, Yin-Shuo	M	2017.08.01	1,821,643	0.83%	179,803	0.08%	1,734,603	0.80%	Bachelor in Physics, National Chung Hsing University General Manager, G-SHANK Enterprise Co., Ltd.	Director of G-Shank Enterprise Co., Ltd. Director of G-Shank Enterprise (M) Sdn. Bhd. Chairman of G-Shank, Inc. Director of Shanghai G-Shank Precision Machinery Co., Ltd. Supervisor of Chin De Investment Co., LTD. Chairman of Hong Jing (Shanghai) Electronics Co., Ltd. Director of Xiamen G-Shank Precision Machinery Co., Ltd. Director of G-Shank Precision Machinery (Suzhou) Co., Ltd. Chairman of Qingdao G-Shank Precision Sdn. Bhd. Director of Shenzhen G-Bao Precision Sdn. Bhd. Director of G-Shank Japan Co., Ltd. Director of Ji Hong Investment Co., Ltd. Chairman of Chen Lin Investment Ltd. Director of Hong Yue Investment Co., Ltd. Supervisor of Chen Guang Investment Co., Ltd. Chairman of Hong Lin Investment Co., Ltd. Chairman of Ruenlin Investment Co., Ltd.	Deputy General Manager	Lin, Ying-Chih	Sibling	Note

Title	Nationality	Name	Sex	Date Elected (Office)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives who Are Spouses or within Second Degree of Kinship			Remarks
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relation	
Deputy General Manager	ROC	Lin, Yong-Bao	M	2017.08.01	65,788	0.03%	737	0.00%	0	0	Mechanical Engineering Department, Chung-Hsin High School Deputy General Manager of G-SHANK Enterprise Co., Ltd.	Chairman of SUNFLEX TECH CO., LTD. Chairman of GOLDEN IMPRESSION L.L.C.	-	-	-	
Deputy General Manager	ROC	Lin, Ying-Chih	M	2022.04.01	3,588,439	1.64%	955,533	0.44%	0	0	Adelphi (Long Island in U.S.) Master in Financial Management Deputy General Manager of G-SHANK Enterprise Co., Ltd.	Director of G-Shank Enterprise Co., Ltd. Director of Chin De Investment Co., LTD. Director of Shanghai G-Shank Precision Hardware Co., Ltd . Supervisor of Qingdao G-Shank Precision Sdn. Bhd. Director of Shenzhen G-Shank Precision Sdn. Bhd. Supervisor of Hubei Hanstar Electronics Technology Co., Ltd. Chairman of G-Shank Philippines Corp. Director of G-Shank Japan Co., Ltd. Director of Ji Hong Investment Co., Ltd. Chairman of Hong Yue Investment Co., Ltd. Chairman of Chen Guang Investment Co., Ltd. Director of Hong Lin Investment Co., Ltd.	General Manager	Lin, Ying-Shuo	Sibling	
Factory Chief of Production Division II	ROC	Cheng, Rui-Dian	M	2018.07.01	170,697	0.08%	19,000	0.01%	0	0	Mechanic Engineering, Nanya Institute of Technology Director of Production Division II, G-SHANK Enterprise Co., Ltd.	None	-	-	-	

Title	Nationality	Name	Sex	Date Elected (Office)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives who Are Spouses or within Second Degree of Kinship			Remarks
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relation	
Chief Financial Officer	ROC	Liao, Wen-Ying	F	2011.03.23	187,703	0.09%	509	0.00%	0	0	Department of Industrial Management, Vanung University. Nippon Paint Financial Department Section Chief Manager of Financial Dept., G-SHANK Enterprise Co., Ltd.	Supervisor of Ji Hong Investment Co., Ltd. Chairman of Wen Lin Investment	-	-	-	
Chief Accounting Officer	ROC	Liau, Yu-Fen	F	2011.03.23	151,815	0.07%	0	0.00%	0	0	Department of Accounting, Chung Yuan Christian University Hui-Zhong CPA Firm - Manager Assistant Manager of Financial Dept., G-SHANK Enterprise Co., Ltd.	None	-	-	-	
Head of Audit Office	ROC	Chiu, Hsiu-Hsiang	F	2003.10.15	63,000	0.03%	0	0.00%	0	0	Department of Electronic Data Processing, National Taipei University of Business Assistant Manager of Audit Dept., G-Shank Enterprise Co., Ltd.	None	-	-	-	

Note: When the company chairman and president or person with equivalent position (Executive manager) is the same person, spouse to each other or relative by first degree kinship, explain the reason, rationality, necessity, and information related to the response actions:

- (A) The Company has developed in the market entering the 50th year. The Chairman and founding managers led all professional leaders to expand overseas in China, Malaysia, Mexico, Thailand, Indonesia, and Philippines with 17 production centers established. G-SHANK GROUP is a domestic professional progressive stamping factory that builds a strong group through excellent group and corporate system and regulations. Although the chairman and president are related by first degree kinship, the president has worked in the company for over 20 years and has been promoted to the president of the company due to the professional skills and the G-SHANK cooperate system and regulations. The personnel is placed on the right position with proper talents, who meets the qualification for G-SHANK Group manager.
- (B) The company established an audit committee on June 15, 2020, and elected a total of 4 independent directors when the board of directors was fully re-elected on June 9, 2023. In addition to defining their powers, the audit committee can enhance and supervise the management function of the board of directors, thereby reducing concerns from regulatory authorities about the concentration of power in family-owned businesses due to close relationships between the chairman and general manager.

2. Remuneration Paid to Directors, Presidents, and Vice Presidents in latest year:

(1) Remuneration to general directors and independent directors

2025: Unit: NT\$ thousands

Title	Name	Remuneration to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 7)		Remunerations Paid to Concurrent Employees								Ratio of Total Remuneration (A, B, C, D, E, F, and G) to Net Income c (Note 7)		Remuneration Paid to Directors from an Invested Company Other than the Company's Subsidiary		
		Remuneration (A) (Note 1)		Severance Pay (B)		Director Remuneration (C) (Note 2)		Business Execution Expenses (D) (Note 3)				Salary, Bonus and Allowances (E) (Note 4)		Severance Pay (F) (Note 5)		Employees' Remuneration (G) (Note 6)								
		G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	Cash Amount	Stock Amount	Cash Amount	Stock Amount		G-SHANK	All Companies Listed in the Financial Statements
Chairman	Lin, Yu-Huang	2,973	3,453	0	0	0	0	250	250	0.35%	0.35%	0	0	0	0	0	0	0	0	0	0	0.35%	0.35%	None
Director	Lin, Hsien-Kuo	0	0	0	0	0	0	260	260	0.03%	0.02%	0	0	0	0	0	0	0	0	0	0	0.03%	0.02%	None
Director	Tseng, Chia-Jung	0	0	0	0	0	0	250	250	0.03%	0.02%	1,140	2,327	72	72	0	0	0	0	0	0	0.16%	0.25%	None
Director	Lin, Yin-Shuo (Note 8)	0	0	0	0	0	0	106	106	0.01%	0.01%	1,100	1,100	70	70	0	0	0	0	0	0	0.14%	0.12%	None
Director	Lin, Ying-Chih	0	0	0	0	0	0	250	250	0.03%	0.02%	2,200	2,200	76	76	0	0	0	0	0	0	0.27%	0.24%	None
Independent Director	Ma, Shu-Chin	0	0	0	0	0	0	265	265	0.03%	0.03%	0	0	0	0	0	0	0	0	0	0	0.03%	0.03%	None
Independent Director	Liao, Ya-Ling	0	0	0	0	0	0	265	265	0.03%	0.03%	0	0	0	0	0	0	0	0	0	0	0.03%	0.03%	None
Independent Director	Chen, Hung-Yi	0	0	0	0	0	0	265	265	0.03%	0.03%	0	0	0	0	0	0	0	0	0	0	0.03%	0.03%	None
Independent Director	Liu, Ssu-Min	0	0	0	0	0	0	265	265	0.03%	0.03%	0	0	0	0	0	0	0	0	0	0	0.03%	0.03%	None

- (1) Describe the payment policy, system, standards and structure of payment to independent directors and the association with amount of payment according to the responsibility, risk, devotion of time and other factors:
 - (a) Independent director transport allowance: It is resolved by the Board of Directors that the transport allowance for director services is NT\$20,000 per month.
 - (b) Director remuneration from earning distribution: It is stipulated by Article 17 of the Company's Articles of Incorporation, "The Company shall appropriate 1%~10% of the current pre-tax income as employee remuneration and no higher than 3% of pre-tax income as director remuneration prior to withholding the employee remuneration and director remuneration for the current year." The Company directors are currently not appropriated for director remuneration.
 - (c) Independent director remuneration: Currently not paid.
- (2) Apart from the disclosure from previous table, the remuneration for the services provided by the Company directors to all companies listed on the financial statements in current year (e.g. consultant of non-employee based): None.
 - Note 1: 2025 remuneration to directors (including salary to directors, allowance, service pay, various bonuses, and incentives).
 - Note 2: The amount of remuneration paid to directors with the approval by Board of the Directors in 2025.
 - Note 3: Referring to the business execution expenses for 2025 (including transport allowance, special allowance, allowances, dormitory, company car, and other substantial objects).
 - Note 4: Referring to the compensation recognized in 2025 for the President and Vice Presidents under IFRS 2 "Share-based Payment," which includes employee stock option warrants granted to them.
 - Note 5: Referring to the amount appropriated from pension expenses.
 - Note 6: Referring to the 2025 employee salary (including stocks and case) acquired by 2025 director and employee (including part-time president, vice president, other manager, and employees). The 2025 Board of Director meeting adopted the amount of remuneration to be distributed to employees.
 - Note 7: The ratio to net income is the net income of the Company's 2025 separate financial statement and all companies in the financial statements shall be based on the net income stated in the 2025 consolidated financial statements.
 - Note 8: Director Lin, Ying-Shuo was re-elected as Director on June 13, 2025.

(2) Remuneration to President and Vice President

2025; Unit: NT\$ thousands

Title	Name	Salary (A) (note 1)		Severance Pay (B)		Bonus and Special Allowances (C) (Note 2)		Amount of Employee Remuneration (D) (Note 3)				Ratio of Total Remuneration (A, B, C, D) to Net income (%) (Note 4)		Remuneration Paid to Directors from an Invested Company Other than the Company's Subsidiary
		G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK		All Companies Listed in the Financial Statements		G-SHANK	All Companies Listed in the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General Manager	Lin, Yin-Shuo	2,500	2,500	139	139	0	0	0	0	0	0	0.28%	0.25%	None.
Deputy General Manager	Lin, Yong-Bao	1,284	1,284	99	99	0	0	0	0	0	0	0.15%	0.13%	1,902
Deputy General Manager	Lin, Ying-Chih	2,200	2,200	76	76	0	0	0	0	0	0	0.25%	0.22%	None.

Note 1: Referring to the 2025 salary and allowance to president and vice president.

Note 2: Referring to the requisition of employee stock option for 2025 president and vice president according to the IFRS 2 Share-based Payment.

Note 3: Referring to the amount of 2025 employee salary (including stocks and case) adopted by the 2025 Board of Director meeting to be distributed to the president and vice president.

Note 4: The ration to net income is the net income of the Company's 2025 separate financial statement and all companies in the financial statements shall be based on the net income stated in the 2025 consolidated financial statements.

(3) The salaries of the top five highest-paid executives.

2025 Unit; NT\$ thousands

Professional title	Name	Salaries (A)(Note 1)		retirement pensions (B)		bonuses, special support fees, etc. (C)(Note 2)		Total amount of employee compensation (D)(Note 3)				Proportion of total amounts A, B, C, and D to net profit after tax.%(Note 5)		Receipt of Remuneration from Investments Outside of Subsidiaries
		The company	All companies in the financial report	The company	All companies in the financial report	The company	All companies in the financial report	The company		All companies in the financial report (Note 4)		The company	All companies in the financial report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General Manager	Lin, Yin-Shuo	2,500	2,500	139	139	0	0	0	0	0	0	0.28%	0.25%	None.
Deputy General Manager	Lin, Yong-Bao	1,284	1,284	99	99	0	0	0	0	0	0	0.15%	0.13%	1,902
Deputy General Manager	Lin, Ying-Chih	2,200	2,200	76	76	0	0	0	0	0	0	0.25%	0.22%	None.
Factory Chief	Cheng, Rui-Dian	2,500	2,500	32	32	0	0	0	0	0	0	0.27%	0.24%	None.
Manager	Liao, Wen-Ying	2,104	2,104	29	29	0	0	0	0	0	0	0.23%	0.20%	None.

Note 1: Disclose the salary, position allowance, and severance pay of the top five highest-paid executives in 2025.

Note 2: Provide the various bonuses, incentives, car allowances, special support fees, allowances, housing, vehicle provisions, and other compensations for the top five highest-paid executives in 2025. If assets such as housing, cars, or other transportation means are provided, disclose the nature and cost of the provided assets, actual rental or fair market rent, fuel costs, and other expenses. If a driver is provided, please provide details on the remuneration paid to the driver by the company, excluding this from executive compensation. Additionally, include the employee compensation disbursed to the top five highest-paid executives approved by the board of directors before distribution (including stocks and cash). Apply IFRS 2 "Share-based Payment" to include salary expenses related to employee stock options, restricted stock units, and participating in cash capital increase subscription shares.

Note 3: Report the employee compensation disbursed to the top five highest-paid executives approved by the board of directors before distribution for the fiscal year 2025.

Note 4: Disclose the total executive compensation for the top five highest-paid executives in the consolidated financial statements for all companies (including this company).

Note 5: Calculate the total amount as a percentage of net profit after tax based on the net profit after tax in the individual financial statements for the fiscal year 2025 for this company and in the consolidated financial statements for the fiscal year 2025 for all companies.

(4) List of Managers Receiving Employee’s Remuneration and Implemented Distribution

2025; Unit; NT\$ thousands

	Professional title	Name	Employee’s Remuneration-in Stock (Fair Market Value)	Employee’s Remuneration -in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive officers	General Manager	Lin, Yin-Shuo	0	0	0	0
	Deputy General Manager	Lin, Yong-Bao				
	Deputy General Manager	Lin, Ying-Chih				
	Factory Chief of Production Division II	Cheng, Rui-Dian				
	Manager	Liao, Wen-Ying				
	Assistant Manager	Liau, Yu-Fen				

(5) Analysis of ratio of total remunerations paid to directors, the president and vice presidents by the Company and all companies listed in the consolidated financial statements to net income in the most recent two years; and explain the policies, standards, and portfolios of remunerations; procedures for determining remunerations; and correlation between business performance and future risks.

(A) Analysis of Ratio of Total Remunerations Paid to Directors, the President and Vice Presidents by the Company and All Companies Listed in the Separate or Consolidated Financial Statements to Net Income in the Most Recent Two Years:

Title	2025				2024				Increase (Decrease)			
	Total Remuneration		Total Remuneration to Net Income Ratio % (Note 1)		Total Remuneration		Total Remuneration to Net Income Ratio % (Note 1)		Total Remuneration		G-SHANK	All Companies Listed in the Financial Statements
	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements	G-SHANK	All Companies Listed in the Financial Statements		
Director	5,149	5,629	1.23%	1.13%	5,212	5,692	1.50%	1.37%	(63)	(63)	(28.28)%	(27.45)%
President and Vice President	6,298	6,298			10,748	10,748			(4,450)	(4,450)		

Note 1: Net income described below: The net income from 2025 G-SHANK parent company only financial statements is NT\$928,608 thousand All companies from the consolidated financial statements generated net income of NT\$1,052,690 thousand. The 2024 G-

SHANK parent company only financial statements showed net income of NT\$1,064,324 thousand, where all companies in the financial statements is NT1,202,918 thousand in net income from the consolidated financial statements.

- (B) Compare and describe the ratio between the amount of remuneration distributed to the Company directors, president, and vice president from the Company and all companies in the consolidated financial statements in the most recent two years to the net income of individual or separate financial statement, in addition to explaining the policy of remuneration, standards and combination, procedure for formulating remuneration, and operating performance and association with future risk:

With regards to the remuneration to directors and managerial officers, according to Article 14-2 of the Company's Articles of Incorporation, "directors' remunerations and transportation fees shall be determined by the Board of Directors based on the level of their involvement in operations and value of contribution with consideration of the average standards of other businesses in the same industry. According to Article 15, "The Company has set up president and vice presidents, whose appointment, dismissal and remuneration are subject to the provisions prescribed in Article 29 of Company Act." The remuneration distributed to the directors and managerial officers are describe below:

- (a) Director service and transportation allowance: It is resolved by the Board of Directors that the transport allowance for director services is NT\$20,000 per month.
- (b) Director remuneration from earning distribution: It is stipulated by Article 17 of the Company's Articles of Incorporation, "The Company shall appropriate 1%~10% of the current pre-tax income as employee remuneration and no higher than 3% of pre-tax income as director remuneration prior to withholding the employee remuneration and director remuneration for the current year." The Company directors are currently not appropriated for director remuneration.
- (c) Director remuneration: Except for some directors are paid with remuneration, the rest directors currently are not paid remunerations.
- (d) Remuneration to managerial officers: including salary, bonus, and employee stock options, which shall be determined by the position and responsibility taken with consideration of the standard of the same position in peer industry. Moreover, the corporate management performance and personal performance shall be taken into account for determining the salary adjustment with submission to the Salary and Remuneration Committee for review and resolution by the Board of Directors.

The association and reasonableness of the content and amount of salary based on the evaluation results of the individual performance of directors and managerial officers have been reviewed by the Salary and Remuneration Committee and discussed by the Board of Directors on December 29, 2025, as within the reasonable range.

- (e) Analysis of the variance in compensation between the two years after evaluation: The decrease in compensation for the second year was primarily due to the recognition of employee compensation expenses resulting from the President and Vice Presidents subscribing to shares reserved for employees in the 2025 cash capital increase.

3. Implementation of Corporate Governance:

(1) The Board's Operations

(A) A total of 5 meetings of the Board of Directors were held in most recent year, and the attendance of directors is as follows:

Title	Name	No. of actual Attendance	of actual Attendance by proxy	Rate of actual attendance (%)	Remarks
Chairman	Lin, Yu-Huang	5	0	100%	
Director	Lin, Hsien-Kuo	4	1	80%	
Director	Tseng, Chia-Jung	5	0	100%	
Director	Lin, Yin-Shuo	3	0	100%	Jun 13,2025 Re-election
Director	Lin, Ying-Chih	5	0	100%	
Independent Director	Ma, Shu-Chin	5	0	100%	
Independent Director	Liao, Ya-Ling	5	0	100%	
Independent Director	Chen, Hung-Yi	5	0	100%	
Independent Director	Liu, Ssu-Min	5	0	100%	

Other matters to be recorded:

- (a) Should any of the following takes place in a Board's meeting, the date, session, and proposals of the Board's meeting, opinions of all independent directors, and the Company's response to such opinions from the independent directors shall be specified:
 - i. Matters listed in Article 14-3 of Securities and Exchange: Please refer to the description in point 2.
 - ii. Other than the matters mentioned above, other resolutions that are objected and reserved by the independent directors, recorded or stated in writing: None.
- (b) Implementation of Conflict of Interest for Directors in proposition as stakeholders:
 - i. Board resolution dated March 7, 2025: Appointment of the Company's First Sustainability Development Committee. At the time of voting, the interested parties, Lin Ying-Chih and Liao Ya-Ling, recused themselves. The resolution was then approved as proposed by all remaining attending directors.
 - ii. Board resolution dated December 29, 2025: Proposal regarding the 2026 remuneration of certain directors and managers of the Company. The interested parties, Lin Yu-Huang, Lin Ying-Shuo, and Lin Ying-Chih, recused themselves from the discussion and voting. The resolution was then approved as proposed by all remaining attending directors.
- (c) Public trading companies should disclose the evaluation cycle and period of self (or peer) evaluation of Board of Directors, scope of evaluation, method and evaluation content. The implementation of Board of Directors evaluation is described in attached table.
- (d) The objectives for strengthening the function of Board of Directors for current and the most recent year (e.g. set up the Audit Committee to promote information transparency) and the evaluation of implementation:

- i. The Company’s Board of Directors set up Audit Committee (founded in June 2020) and the Salary and Remuneration Committee (set up two functional committees in December, 2021 to assist the Board of Directors with performing its supervisory responsibilities).
- ii. The Company has included the operation of Board of Directors meeting by law into the internal control system while the Audit Department shall conduct periodic audit.
- iii. The Company has complied with “Regulations Governing the Evaluation of Board of Directors Performance” and conduct individual director and Board of Director self-evaluation process. The 2025 self-evaluation results were reported to the Board of the Directors on March 13, 2026.

(B) Independent director’s opinion towards major agenda of Board of Directors and Company response to Independent Directors’ Opinion in the most recent year is described below:

Board of Directors	Agenda and Subsequent Process	Matters listed under Article 14-3, Securities and Exchange Act	Opinion that are objected and reserved by the independent directors
2025.03.07	Appointment of the Company’s First Sustainability Development Committee.	✓	None.
	Independent Director's Opinion: None		
	Company's Handling of Independent Director's Opinion: None		
	Resolution Result: Unanimously approved by all attending Directors		
2025.08.04	Proposal to amend the Company’s “Internal Control System (Written Policies)” and “Internal Audit System (Written Policies)”.	✓	None.
	Independent Director's Opinion: None		
	Company's Handling of Independent Director's Opinion: None		
	Resolution Result: Unanimously approved by all attending Directors		
2025.10.31	Proposal to amend the Company’s “Internal Control System (Written Policies)” and “Internal Audit System (Written Policies)”.	✓	None.
	Independent Director's Opinion: None		
	Company's Handling of Independent Director's Opinion: None		
	Resolution Result: Unanimously approved by all attending Directors		
2025.12.29	Assessment and Appointment Case of Visa Accountant's Independence and Suitability	✓	None.
	Independent Director's Opinion: None		
	Company's Handling of Independent Director's Opinion: None		
	Resolution Result: Unanimously approved by all attending Directors		

(C) Implementation of Board of Directors Evaluation

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Content of Evaluation
Implemented once a year	2025.01.01~2025.12.31	1. Board of Director 2. Individual board member	Board self-evaluation and Board member self-evaluation	1. Evaluation of Board of Directors performance: Including the involvement in company operations, promotion of Board of Directors' decision-making quality, Board of Directors composition and structure, director election and continuous advanced study, and internal control, comprising 5 dimensions and 45 items. 2. Evaluation of individual director performance: Including the control of company objectives and mission, director's recognition of responsibility, involvement in company operation, internal relation management and communication, director's professionalism and continuous study, and internal control, comprising 6 dimensions and 23 items.

(D) Succession plan and operation of important management

- (a) The Company owns 17 production sites in Taiwan and overseas. The Company has been holding 2 senior managers from all factories of the group incessantly at the beginning of the year and mid-year, from 2005 to 2025. The meeting reviews the operation performance and not only reports the operation outcome but also shares the case reports of all factories, so that the important officers can be trained for leadership experience by sharing the corporate organization culture and the leadership practice in management. For this reason, the retirement of transfer in senior manager at subsidiaries can always be taken over the proper senior manager any time, so that the subsidiaries will not interrupt the operation and management.
- (b) To ensure the intermediate to long-term development and the long-term vision of the group headquarter, the Company has arranged for potential successors in control of the operations of group subsidiaries since May, 2015. This will strengthen the business management and operation capacity so that the successor will familiarize with the operation and management of G-SHANK group. In June, 2017, the potential successor has entered the Board of Directors to familiarize with the operation of Board of Directors and took over the group affairs officially as the group president in August, 2017.

(2) The operation of Audit Committee participating in Board of Directors operation:

- (A) The Audit Committee has held the meeting 5 times in most recent year. The attendance by independent directors is described below:

Title	Name	Actual No. of Attendance	Number of Attendance by Proxy	Actual Attendance Rate (%)	Remarks
Independent Director	Ma, Shu-Chin	5	0	100%	
Independent Director	Liao, Ya-Ling	5	0	100%	
Independent Director	Chen, Hung-Yi	5	0	100%	
Independent Director	Liu, Ssu-Min	5	0	100%	

Other matters to be recoded:

- (a) Should any of the following takes place in a meeting of the Audit Committee, the date and session of the meeting, the proposal, the opinion opposed by independent director, reserved opinion or major suggestions, the outcome of Audit Committee's resolution and the Company's response to such a resolution shall be specified.
 - i. Matters listed in Article 14-5, Securities and Exchange Act: Please refer to item 3 for more information.
 - ii. Apart from foregoing matters, other solution agreed by 2/3 or all directors without the approval by Audit Committee: None.
- (b) The execution of evasion by independent directors towards agenda with conflict of interests, shall describe the name of independent director, agenda content, reason for evasion of conflict of interests and the participation in voting: None.
- (c) Communication between directors, internal audit chief and CPA (including the major incidents, method and results of communication regarding company finance and operations): please refer to description in item 4.

(B) Key annual work and operation of Audit Committee:

The Company has set up Audit Committee since June 15, 2020, which is responsible for executing the supervisor responsibility required by law. The Audit Committee aims to assist the Board of Directors with fulfilling their monitoring of Company in terms of quality and integrity in accounting, audit, financial report process, and financial control.

Matters of current review and key works for the Audit Committee include:

- (a) Financial statements.
- (b) Internal control system and relevant policy and procedure.
- (c) Derivative financial instrument transaction.
- (d) Capital loan.
- (e) Independence and competence assessment and appointment remuneration to CPA.

(C) Opinion or resolution of Audit Committee on major agenda:

Board of Directors	Agenda and Subsequent Handling	Matters listed in Article 14-5, Secures and Exchange Act	Adoption without Audit Committee but with 2/3 of consent from all directors for the resolutions
2025.03.07	(1) Internal audit report by internal audit chief	✓	None
	(2) Proposal to set the record date for capital increase through the conversion of common shares for the Company's Second Domestic Unsecured Convertible Bonds and the issuance of new shares through the exercise of employee stock options in the fourth quarter of 2024. Internal audit report by internal audit chief	✓	None
	(3) Preparation of the individual financial statements and consolidated financial statements for the Company for the fiscal year 2024	✓	None
	(4) Annual operating report, individual and consolidated financial statements for the fiscal year 2024 for the Company	✓	None
	(5) Company's issuance of "Assessment of the Effectiveness of Internal Control System" and "Internal Control System Statement" for the fiscal year 2024	✓	None
	(6) Dividend distribution proposal for the fiscal year 2024 for the Company	✓	None
	(7) Distribution of cash from capital surplus by the Company	✓	None
	(8) Review of the Group's various enterprises for potential financial conduits in the 4th quarter as required by regulatory authorities	✓	None
	Outcome of Audit Committee Resolution (2025.03.07): All the member present at the meeting unanimously approve.		
Company response to opinion from Audit Committee: All the directors present at the Meeting unanimously approve.			
2025.05.02	(1) Internal audit report by internal audit chief	✓	None
	(2) Proposal to set the record date for capital increase through the conversion of common shares for the Company's Second Domestic Unsecured Convertible Bonds and the issuance of new shares through the exercise of employee stock options in the first quarter of 2025. Internal audit report by internal audit chief	✓	None
	(3) Company's 2025 Q1 consolidated financial statements	✓	None
	(4) Review the intercompany financing arrangements of each enterprise within the group as required by regulatory authorities in the first quarter.	✓	None
	Outcome of Audit Committee Resolution (2025.05.02) : All the member present at the meeting unanimously approve.		
Company response to opinion from Audit Committee: All the directors present at the Meeting unanimously approve.			
2025.08.04	(1) Internal audit report by internal audit chief	✓	None
	(2) Proposal Regarding Insider's Violation of Article 157 of the Securities and Exchange Act Concerning Short-Swing Trading.	✓	None
	(3) Company's 2025 Q2 consolidated financial statements	✓	None
	(4) Proposal to Amend the Company's 'Internal Control Procedures' and 'Internal Audit Procedures'	✓	None
	(5) Review the financial interconnectedness situation of various enterprises within the group in the second quarter as required by the regulatory authorities.	✓	None

Board of Directors	Agenda and Subsequent Handling	Matters listed in Article 14-5, Secures and Exchange Act	Adoption without Audit Committee but with 2/3 of consent from all directors for the resolutions
	Outcome of Audit Committee Resolution (2025.08.04): All the member present at the meeting unanimously approve.		
	Company response to opinion from Audit Committee: All the directors present at the Meeting unanimously approve.		
2025.10.31	(1) Internal audit report by internal audit chief	✓	None
	(2) Proposal to set the record date for capital increase through the conversion of common shares for the Company's Second Domestic Unsecured Convertible Bonds and the issuance of new shares through the exercise of employee stock options in the third quarter of 2025.	✓	None
	(3) Company's 2025 Q3 consolidated financial statements.	✓	None
	(4) Proposal to Amend the Company's 'Internal Control Procedures' and 'Internal Audit Procedures'	✓	None
	(5) Proposal to amend the "Terms and Conditions for the Issuance and Conversion of the Company's Second Domestic Unsecured Convertible Bonds".	✓	None
	(6) Review the intercompany financing arrangements of each enterprise within the group as required by regulatory authorities in the third quarter.	✓	None
	Outcome of Audit Committee Resolution (2025.10.31): All the member present at the meeting unanimously approve.		
	Company response to opinion from Audit Committee: All the directors present at the Meeting unanimously approve.		
2025.12.29	(1) Internal audit report by internal audit chief	✓	None
	(2) Audit plan progress report for the fiscal year 2026	✓	None
	(3) Operational plan for the fiscal year 2026	✓	None
	(4) Proposal for the Evaluation of Independence and Competency of the Company's Certified Public Accountants, and the Approval of Their Appointment and Remuneration	✓	None
	Outcome of Audit Committee Resolution (2025.12.29): All the member present at the meeting unanimously approve.		
	Company response to opinion from Audit Committee: All the directors present at the Meeting unanimously approve.		
2026.03.13	(1) Internal audit report by internal audit chief	✓	None
	(2) Proposal to set the record date for capital increase through the conversion of common shares for the Company's Second Domestic Unsecured Convertible Bonds in the fourth quarter of 2025.	✓	None
	(3) Preparation of the individual financial statements and consolidated financial statements for the Company for the fiscal year 2025	✓	None
	(4) Annual operating report, individual and consolidated financial statements for the fiscal year 2025 for the Company	✓	None
	(5) Company's issuance of "Assessment of the Effectiveness of Internal Control System" and "Internal Control System Statement" for the fiscal year 2025	✓	None
	(6) Dividend distribution proposal for the fiscal year 2025 for the Company	✓	None
	(7) Distribution of cash from capital surplus by the Company	✓	None
	(8) Review of the Group's various enterprises for potential financial conduits in the 4th quarter as required by regulatory authorities	✓	None

Board of Directors	Agenda and Subsequent Handling	Matters listed in Article 14-5, Secures and Exchange Act	Adoption without Audit Committee but with 2/3 of consent from all directors for the resolutions
	Outcome of Audit Committee Resolution (2026.03.13): All the member present at the meeting unanimously approve.		
	Company response to opinion from Audit Committee: All the directors present at the Meeting unanimously approve.		
2026.04.30	(1) Internal audit report by internal audit chief	✓	None
	(2) Proposal to set the record date for capital increase through the conversion of common shares for the Company's Second Domestic Unsecured Convertible Bonds in the first quarter of 2026.	✓	None
	(3) Company's 2026 Q1 consolidated financial statements	✓	None
	(4) Proposal for the Issuance of 2026 Employee Stock Options by the Company	✓	None
	(5) Review the intercompany financing arrangements of each enterprise within the group as required by regulatory authorities in the first quarter.	✓	None
	Outcome of Audit Committee Resolution (2026.04.30) : All the member present at the meeting unanimously approve.		
	Company response to opinion from Audit Committee: All the directors present at the Meeting unanimously approve.		

(D) Communication between independent directors, internal audit supervisor and CPA:

The Company's independent director communicate with audit chief and CPA: The Company independent directors directly contact with audit chief and CPA; according to the provisions of competent authority, the company finance and operations shall be periodically reviewed and directly communicated with the management.

(a) Independent directors maintain excellent communication with audit chief, while independent directors do not express other opinion. The matters of 2025 main communication are summarized below:

Audit Committee	Subjects of Communication	Communication Outcome
2025.03.07	(1) Internal audit report of the Company.	Review adopted, reported to Board of Directors for resolution.
	(2) "Internal Control System Effectiveness Assessment" and "Internal Control System Statement" for the Fiscal Year 2023	Review adopted, reported to Board of Directors for resolution.
2025.05.02	(1) Internal audit report of the Company.	Review adopted, reported to Board of Directors for resolution.
2025.08.04	(1) Internal audit report of the Company.	Review adopted, reported to Board of Directors for resolution.
	(2) Amendment to the Company's "Internal Control System" and "Internal Audit System"	Review adopted, reported to Board of Directors for resolution.

Audit Committee	Subjects of Communication	Communication Outcome
2025.10.31	(1) Internal audit report of the Company.	Review adopted, reported to Board of Directors for resolution.
	(2) Amendment to the Company's "Internal Control System" and "Internal Audit System"	Review adopted, reported to Board of Directors for resolution.
2025.12.29	(1) Internal audit report of the Company.	Review adopted, reported to Board of Directors for resolution.
2026.03.13	(1) Internal audit report of the Company.	Review adopted, reported to Board of Directors for resolution.
	(2) "Internal Control System Effectiveness Assessment" and "Internal Control System Statement" for the Fiscal Year 2025	Review adopted, reported to Board of Directors for resolution.
2026.04.30	(a) Internal audit report of the Company.	Review adopted, reported to Board of Directors for resolution.

(b) The independent directors maintain excellent communication with the CPA and does not hold other opinion. The matters of main communication for 2025 are summarized below:

Audit Committee	Subjects of Communication	Communication outcome
2025.03.07	Company's 2024 business report, separate and consolidated financial statements.	Review adopted, reported to Board of Directors for resolution
2025.05.02	Company's 2025 Q1 Consolidated Financial Statements	Review adopted, reported to Board of Directors for resolution
2025.08.04	Company's 2025 Q2 Consolidated Financial Statements	Review adopted, reported to Board of Directors for resolution
2025.10.31	Company's 2025 Q3 Consolidated Financial Statements	Review adopted, reported to Board of Directors for resolution
2026.03.13	Company's 2025 business report, separate and consolidated financial statements.	Review adopted, reported to Board of Directors for resolution
2026.04.30	Company's 2026 Q1 Consolidated Financial Statements	Review adopted, reported to Board of Directors for resolution

(3) Implementation of corporate governance, discrepancies in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Y	N	Summary	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has developed the “Corporate Governance Best Practice Principles” based on “the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to ensure the actual implementation of corporate governance philosophy, and thereby pursue shareholder equity maximization and corporate sustainable management. The operation does not discrete from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.” Currently the “Corporate Governance Best Practice Principles” is listed on the investor zone on company website and uploaded to the Market Observation Post System (MOPS) for public reading.	Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
2. Shareholding structure & shareholders’ rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company sets up “Internal Material Information Processing Procedure” to handle suggestions or doubts for shareholders. The Company also offers spokesperson and deputy spokesperson, ǀ stock transfer agent with dedicated service staff, and “Investor Consulting Service” zone on the company website in order to handle shareholder’s suggestions or disputes.	Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies..
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company keeps close contact with major shareholders while major shareholders directly participate in company management. The Company discloses the shareholding of major shareholders and the final controller of major shareholders by law.	
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company independently operate from the operation and finance of affiliate enterprises by developing relevant management operations to specify the financial transactions between the Company and the affiliated enterprises with due monitoring matters.	
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		(4) The “Internal Material Information Processing Procedure” developed by the Company prohibits insiders from buying/selling securities based on the information unleased to the market, in addition to education the insiders at all time.	

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Y	N	Summary	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p>	✓		<p>(1)</p> <p>(A) The Company adopted the formulation of “Corporate Governance Best Practice Principles” at the Board meeting on December 29, 2015. The Company develops diversification guidelines under Chapter 3 “Strengthening Board of Directors Function.” The Board of Director members follow articles of incorporation for the nomination and election of board members, based on candidate nomination system. Apart from evaluating the education and work experience of all candidates but also complying with “Director Election Guidelines” and “Corporate Governance Best Practice Principles” to ensure the diversity and independent of board directors.</p> <p>(B) On June 9, 2023, the board of directors of the Company was re-elected with a total of 9 seats (including 3 female independent directors). In 2025, directors with employee status accounted for 33% of the Board, female independent directors accounted for 33%, and external directors accounted for 56%. Regarding tenure, one independent director has served three terms, two independent directors have served two terms, and one independent director has served one term. In terms of age distribution, one director is aged 80 or above, two directors are aged 71–80, one director is aged 61–70, one director is aged 51–59, and four directors are under 50 years old.</p> <p>(C) The Company has disclosed information on individual director on the Company website: Corporate Governance →Information on Board of Director Members with reference on “Board of Directors Operation” for more information.</p>	Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Y	N	Summary	
(2) Does the Company voluntarily establish other functional committees in addition to the Salary and Remuneration Committee and the Audit Committee?	✓		(2) The Company has established a Compensation Committee, an Audit Committee, and a Sustainability Committee. The operations of corporate governance are carried out by each department in accordance with their respective responsibilities.	Depending on other requirement, other types of functional committees will be set up later.
(3) Does the Company establish a guidelines for evaluating the Board of Director performance and the method of evaluation? Does the Company conduct annual performance evaluation and submit the outcome of performance evaluation to the Board of Directors in addition to applying such evaluation on the consideration for the remuneration of individual director and the renewal of nomination?	✓		(3) The Company has set up the BOD performance evaluation system, where the BOD passed the “Board of Directors Performance Assessment Regulations” on December 30, 2019. Starting from 2020, the Board of Directors conduct internal self-evaluation each and the peer evaluation by board members each year. Please refer of the “Board of Directors Operation Status” for the outcome of this self-evaluation.	Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(4) Does the Company regularly evaluate the independence of CPAs?	✓		(4) The Financial Department conducts self-evaluation of the independence and competence of CPA once a year. The Company shall validate the attestation and taxation case expenses with the CPA and will not involve in other financial interests and business relation with the CPA. The member of CPA’s family may not violate the requirement of independence, which will be reported to the Board of Directors. The Company BOD will discuss the independence and competence of CPA while enclosing the CV of CPA, the statement of independence made by each CPA to the BOD for the discussion of independence. The Company has submitted the results to the Audit Committee and BOD review for approval on December 29, 2025.	Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Y	N	Summary	
4. Does the Company allocate a corporate governance unit or personnel to be in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors, handle matters relating to Board's meetings and shareholders' meetings according to laws, handle corporate registration and amendment registration, produce minutes of the Board's meetings and shareholders meetings...etc.)?	✓		On March 10, 2023, our company's board of directors approved the appointment of the financial manager as the governance officer, she is responsible for handling all corporate governance related affairs, including providing information needs for Board execution of services, applying for Board and Shareholders' meeting by law, and apply for company registration and change registration, and prepare BOD and shareholders' meeting agenda.	Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
5. Does the Company establish communication channel of the stakeholders (including but not limited to shareholders, employees, customers, supplier, etc.), and establish an exclusive zone of the stakeholders in the Company's website, and properly respond the important issues of corporate social responsibility concerned by the stakeholders?	✓		The company sets up spokesperson system and utilize the public information system to help shareholders and stakeholders fully understand the corporate financial situations and implementation of corporate governance. For other debtor with frequent banking, The Company holds to the principle of integrity and transparency, providing the necessary financial and sales information for their needs, according to the financial. Provide financial and sales information needed to make judgement and decision based on the corporate operation status. The Company website is established with stakeholder zone that offers response window to stakeholders' window, and has established the complete information on all concerned important corporate social responsibility issues.	Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has commissioned professional stock transfer agent," Capital Securities Corp." to handle the shareholders' meeting and stock affairs related matters.	Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Y	N	Summary	
<p>7. Information disclosure</p> <p>(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>(2) Does the Company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3) Does the Company announce and declare the annual financial report in 2 months after the accounting year, in addition to making early announcement prior to the period required and report the quarter financial statements for the first, second and third quarters, and the monthly operations?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established the website and an investor section for disclosing information on financial operations, corporate governance and letters to shareholders (including email) execution. The website is www.gs.com.tw.</p> <p>(2) The Company has set up English information on the investor zone and assigned a specialist to collect, disclosure and implement spokesperson system for information on the Company. The Company has called juristic person shareholder meeting and indicates on the investor zone of the website, which relative information is also periodically updated on the company website.</p> <p>(3) Based on the accuracy of financial statement preparation, the Company request CPA review (or approval)./ Currently it is published and declared according to the data specified.</p>	<p>Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>The Company has disclosed information on the regulatory website.</p> <p>Currently still announcing and reporting by competent authority's specified date.</p>
<p>8. Is there any other important information to facilitate a better understanding of the Implementation of Corporate Governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</p>	<p>✓</p>		<p>(1) To intensify the promotion of corporate governance, the Company may notify the Board of Directors of the update in corporate governance related regulation and participation in competent authority related courses.</p> <p>(2) The Company directors show normal attendance while the directors may not cast votes if the propositions from the directors to the Board of the Directors involve stakeholder relation and damage the interests of the Company. The continuous education for directors are described below:</p> <p>(3) The Company has purchased liability insurance for the directors and managerial officers.</p>	<p>Compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies
	Y	N	Summary	
9.			<p>Explanation of the recent improvements in accordance with the Corporate Governance Evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and identification of priority areas for further enhancement and measures for those aspects that have not yet been improved.</p> <p>Completed improvement item in the year 2025:</p> <p>4.4 – Whether the Company’s sustainability report discloses relevant ESG information with reference to the SASB Standards</p> <p>4.7 – Whether the Company has uploaded an English version of the sustainability report to the Market Observation Post System and the Company’s website.</p> <p>4.9 – Whether the Company’s website and annual report disclose various employee welfare measures, the retirement system, and their implementation status.</p> <p>4.11 – Whether the Company discloses its total water consumption and total waste weight for the past two years.</p> <p>4.15 – Whether the Company discloses on its website or in its annual report the integrity management policy approved by the Board of Directors, specifying concrete practices and measures to prevent dishonest conduct, and describing the implementation status.</p> <p>4.20 – Whether the Company has established workplace diversity or gender equality policies, and discloses their implementation status.</p> <p>4.24 – Whether the Company’s sustainability report has been submitted to and approved by the Board of Directors.</p> <p>4.25 – Whether the Company discloses its Scope 1 and Scope 2 greenhouse gas emissions for the past two years.</p> <p>Planned improvement items for the year 2026:</p> <p>E-1 – Whether the Company has established a greenhouse gas emission reduction management policy, including reduction targets, implementation measures, and achievement status.</p> <p>E-3 – Whether the Company discloses its Scope 3 greenhouse gas emission categories and annual emissions for the past year.</p> <p>E-7 – Whether the Company discloses its total waste weight for the past two years.</p> <p>E-9 – The company has disclosed its energy consumption information for the past two years.</p>	

2025 Continuous Education for Directors:

Title	Name	Date	Sponsor	Course Title	Duration
Chairman	Lin, Yu-Huang	2025.06.13	Securities & Futures Institute	U.S.–China Economic Outlook under Trump 2.0 and Taiwan Industries Opportunities and Challenges for Taiwanese Businesses under the Trade War – Impacts of Cross-Strait Investment Controls, U.S.–China Strategic Competition on Rules of Origin, and Hong Kong National Security Law	6 Hours
Director	Lin, Hsien-Kuo				
Director	Tseng, Chia-Jung				
Director	Lin, Yin-Shuo				
Director	Lin, Ying-Chih				
Independent Director	Ma, Shu-Chin				
Independent Director	Liao, Ya-Ling				
Independent Director	Chen, Hung-Yi				
Independent Director	Liu, Ssu-Min				

2025 Professional Development of Corporate Governance Officer:

Title	Name	Date	Organizer	Course Title	Duration
Manager	Liao, Wen-Ying	2025.06.13	Securities and Futures Market Development Fund Foundation of Chinese Taipei	U.S.–China Economic Outlook under Trump 2.0 and Taiwan Industries Opportunities and Challenges for Taiwanese Businesses under the Trade War – Impacts of Cross-Strait Investment Controls, U.S.–China Strategic Competition on Rules of Origin, and Hong Kong National Security Law	6 Hours
		2025.12.11 2025.12.12	Accounting Research and Development Foundation of Chinese Taipei	Issuer securities firm securities exchange accounting supervisors continue professional education.	12 Hours

2025 Continuous Education for Managerial Officers:

Title	Name	Date	Sponsor	Course Title	Duration
President	Lin, Yin-Shuo	2025.06.13	Securities and Futures Market Development Fund Foundation of Chinese Taipei	U.S.–China Economic Outlook under Trump 2.0 and Taiwan Industries Opportunities and Challenges for Taiwanese Businesses under the Trade War – Impacts of Cross-Strait Investment Controls, U.S.–China Strategic Competition on Rules of Origin, and Hong Kong National Security Law	6 Hours
Vice President	Lin, Yong-Bao				
Vice President	Lin, Ying-Chih				
Manager	Liao, Wen-Ying	2025.12.11 2025.12.12	Accounting Research and Development Foundation of Chinese Taipei	Issuer securities firm securities exchange accounting supervisors continue professional education.	12 Hours
Assistant Manager	Liau, Yu-Fen				

(4) If the Company sets up Salary and Remuneration Committee, disclose the composition and operation:

(A) Information on Members of Salary and Remuneration Committee

Criteria Identification Name	Professional Qualification and Experience (Note1)	Compliance with Independence (Note 2)	Number of Members of Salary and Remuneration Committee of Other Public Offering Companies
Independent Director Ma, Shu-Chin (Convener)	Over 20 years of work experience required for company operations. Currently working as the CPA at CHIALIN CPA Firm. Not a person specified in any subparagraph of Article 30 of the Company Act.	(1) The independent director of the Company, in compliance with independence. (2) Not the independent director, the spouse or a relative within the second degree of kinship acts as the director, supervisor or employee of the Company or its affiliate enterprises; not the director, supervisor or employee of the company with specific relation to the Company. (3) Not a professional individual, company, or institution that provides commercial, legal, financial, or accounting services to the Company or to any affiliated company for the amount of compensation acquired from the latest two years.	1
Independent Director Liao, Ya-Ling	Over 20 years of work experience required for company operations. Currently working as the QC manager of suppliers for Applied Materials, Inc. Not a person specified in any subparagraph of Article 30 of the Company Act.		0
Independent Director Chen, Hung-Yi	Over 40 years of work experience required for company operations. Formerly working as the section chief at National Property Administration, Ministry of Finance. Not a person specified in any subparagraph of Article 30 of the Company Act.		0
Independent Director Liu, Ssu-Min	Over 19 years of work experience required for company operations. Currently serving as the section chief of the Finance Department at Hsin Chong Machinery Works Co. Ltd. Not a person specified in any subparagraph of Article 30 of the Company Act.		0

Note 1: Professional Qualification and Experience: Description of the professional qualification and experience for individual members of Salary and Remuneration Committee.

Note 2: The compliance of independence for independent directors includes but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not the natural-person, spouse and relative of second degree kinship (or under other's name) who holds the shares of the Company and with certain weight; Not a director, supervisor or employee of the company with specific relation to the Company (refer to Refer to Article 6, Item 1, Paragraph 5~8 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in recent 2 years.

(B) Operation of Salary and Remuneration Committee

- (a) The compensation committee of the company originally consisted of 3 members, but has been increased to 4 members in the current term.
- (b) Tenure for this committee: Commences form August 4, 2023 and ends on June 8, 2026. The Salary and Remuneration Committee has called two meetings (A) for the most recent year and the qualification member and attendance are described below:

Title	Name	Actual No. of Attendance (B)	No. of Attendance by Proxy	Rate of actual attendance (%) (B/A)	Remarks
Convener	Ma, Shu-Chin	2	-	100%	
Member	Liao, Ya-Ling	2	-	100%	
Member	Chen, Hung-Yi	2	-	100%	
Member	Liu, Ssu-Min	2	-	100%	

Other matters to be recorded:

- i. Should the Board of the Directors refuse to adopt or revise the suggestions given by the Salary and Remuneration Committee, the date and session of the Board of the Directors meeting, the proposal, the resolution reached by the Board of Director s and the Company's response to such an opinion from the Salary and Remuneration Committee shall be specified: None.
- ii. Should any member opposes or expresses conservative opinion towards the matters resolved by the Salary and Remuneration Committee with records or statement in writing, the data and session of the Salary and Remuneration meeting, proposal, opinions from all members and response to members' opinions shall be specified: None.

2025 Salary and Remuneration Committee Meeting:

Salary and Remuneration Committee	Agenda and Subsequent Process	Outcome of Resolution	Compose response to opinion from Salary and Remuneration Committee
First 2025.3.07	<ol style="list-style-type: none"> 1. Adopted the 2024 employee remuneration and distribution remuneration. 2. Aodpted the 2024 employee remigration amount for managerial officers. 	All the members of the committee unanimously approve	All the directors present at the Board of Directors Meeting unanimously approve.
Second 2025.12.29	<ol style="list-style-type: none"> 1. Adopted the 2026 salary and remuneration to some directors and managerial officers 2. Adopted the Company's 2026 Director Reimbursement of Transport Allowance. 	All the members of the committee unanimously approve	All the directors present at the Board of Directors Meeting unanimously approve.

- (c) Nomination Committee member information and peration information : None.

(5) Implementation of sustainable development, and discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, and reasons for such discrepancies:

Promotion Item	Implementation			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Y	N	Summary	
1. Does the Company establish the governance framework for promoting sustainable development and an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development, which is authorized by the Board of the Directors for handling and supervised by the Board of the Directors?	✓		<p>(1) The Board of Directors of the Company approved the establishment of the Sustainable Development Committee on March 7, 2025, and authorized the appointment of Mr. Lin Ying-Shuo, General Manager, as the convener, as well as Director Lin Ying-Chih and Independent Director Liao Ya-Ling as committee members.</p> <p>(2) The General Affairs Department of the Company serves concurrently as the supporting unit for the Sustainable Development Committee, promoting various initiatives of the Committee. A cross-departmental task force is formed based on the responsibilities of each unit to carry out related tasks, compile implementation plans, and handle other sustainability-related matters. The execution status and results of these initiatives are reported to the Sustainable Development Committee.</p> <p>(3) Our company has established a 'Greenhouse Gas Inventory Team' and appointed a managerial representative to promote the inventory work of greenhouse gases. The team is responsible for conducting greenhouse gas inventory and reporting the results to senior management through business management meetings, and bringing important issues to the attention of the board of directors.</p> <p>(4) The 2025 inventory of greenhouse gases for our new factory has been completed, and the report will be presented to the board of directors in August 2026.</p> <p>A progress report on the greenhouse gas inventory will be presented to the board of directors every quarter.</p>	No discrepancies
2. Does the Company conduct risk assessment on the environmental, social and corporate governance agenda related to corporate operation according to the principles of materiality (Note), in addition to establishing relevant risk management policies or strategies?	✓		Our company implements management certifications such as IATF 16949, ISO 9001, ISO-14001 and ISO-45001 through the ISO system. Every year, we perform a SWOT analysis on the relevant risks and develop appropriate response strategies based on the analysis results.	No discrepancies
3. Environmental issues (1) Does the Company establish applicable environmental management system according to the industry characteristics?	✓		<p>(1)</p> <p>A. Our company conducts internal audits and external third-party certifications for our environmental management system on an annual basis.</p> <p>B. Our company has obtained ISO-14001:2015 and ISO-14064:2018 certifications for our environmental management system.</p>	No discrepancies

Promotion Item	Implementation		Summary	Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Y	N		
(2) Does the Company commit to upgrading the utilization of resources and use of recycled materials with low environmental impact?	✓		(2) A. Our company has installed solar panels at our facilities in Xinzhu and Malaysia, demonstrating our commitment to providing green energy. B. Annual green procurement exceeds 3 million dollars, and in order to reduce environmental impact, the use of recyclable packaging materials and pallets has resulted in good performance.	
(3) Does the Company evaluate the potential risk and opportunities of climate change on enterprises now and in the future, in addition to taking response actions to climate related issues?	✓		(3) In response to climate change legislation, this regulation has been identified in the 'List of Authorized and Registered Regulations' under ISO-14001. In order to address extreme weather events such as typhoons and floods, a set of emergency response Standard Operating Procedures (SOP) has been developed and practiced within the plant.	
(4) Has the Company compiled the greenhouse gas emission, water consumption and total waste weight in the last two years, in addition to formulating policies on energy-saving, carbon reduction, greenhouse gas emission, reduction of water consumption, or other waste management?	✓		(4) A. Greenhouse Gas Inventory Report Explanation: (a) The Taiwan area (Xinwu Plant and Bade Plant) has completed the external verification of carbon emissions for the year 2024 in accordance with ISO-14064. Calculations for Scope 1, Scope 2, and Scope 3 carbon emissions have been completed, and the related carbon emission calculations are disclosed in the "2024 Greenhouse Gas Inventory Report". (b) As the manufacturing process in the plant involves metal mold processing without generating any harmful waste, the main waste generated is general household waste. B. The greenhouse gas reduction measures disclosed in the 2024 Greenhouse Gas Inventory Report mainly include the following: (a) Investigate and compile a list of green procurement items (LED lighting fixtures, paper plates, copy paper, carbon clip, products bearing the Taiwan Energy Label or international environmental labels) that have been purchased and reported. (b) Seeking recyclable items from waste and enforcing sorting requirements, and supervising in recycling control areas to reduce the volume of waste incineration treatment. (c) Sign equipment maintenance contracts for high and low voltage electrical equipment to maintain optimal operation and reduce energy consumption (d) Regular cleaning of cooling towers and heat exchangers to maintain operational efficiency. 2024 Greenhouse Gas Inventory and Explanation of Confidence Situation Details Attached Table 1 Explanation The aforementioned work is ongoing and a report will be presented during the management review meeting.	

Promotion Item	Implementation			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Y	N	Summary	
4. Social Issues				No discrepancies
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The company has formulated work rules in accordance with human rights policies and has reported them to the Taoyuan City Department of Labor and Human Resources for approval. The relevant welfare measures include:	
(2) Does the Company develop and implement reasonable employee welfare measures (including salary, leave, and other benefits) in addition to reflecting the managerial performance or outcome appropriately on employee salary?	✓		(2) A. The company established a Employee Welfare Committee on July 29, 1986, and it was approved by the competent authority and filed under the letter no. 097577 (Labor Department Letter No. 1421) of the Ministry of Interior on file. The relevant welfare measures include: (a) Birthday gifts and various gifts for holidays. (b) Various subsidies for marriage, funeral, childbirth, and setup of emergency relief. (c) Emphasize regular self-improvement activities for leisure, organize various group fitness activities, and establish clubs such as "yoga club", "jogging club", "golf club", "basketball club", "badminton club", "bowling club" and "craft club". (d) Organize annual company retreats, departmental dinners, and other large-scale events for employees. (e) Provide a Chinese meal subsidy. (f) Provide subsidies for employees and their children's scholarships. (g) Construct a sports center and fitness room within the company for employees to use. B. The company is required by its bylaws to allocate a certain percentage of its profits to distribute as employee compensation.	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) A. As a member of society, the Company places great importance on its corporate social responsibility (CSR). In terms of the working environment, we have obtained ISO 14001 certification. For occupational safety, we acquired ISO 45001 certification in 2024. Our occupational safety and health (OSH) policy is as follows: "Comply with occupational safety regulations; protect employee safety. Safeguard employee health; enhance safety awareness. Value workplace discipline; promote workplace safety and health. Implement autonomous management; strengthen audits and inspections. Ensure effective communication and guidance; improve training and awareness. Continuously review and	

Promotion Item	Implementation		Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Y	N	
			<p>improve; strive for sustainable development."Each quarter, the "Occupational Safety and Health Committee" is chaired by the highest-ranking executive and convenes department heads and labor representatives to jointly review relevant industrial safety and health activities within the plant. In terms of workplace environment and employee safety, the Company sets annual key objectives and management plans to guide implementation.</p> <p>B. Follow-up activities for promoting environmental and occupational health and safety:</p> <p>(a) Promotion activities for Restriction of Hazardous Substances (ROHS): ROHS officially came into effect on July 1, 2006, prohibiting the sale of products containing six hazardous substances including lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls, and polybrominated diphenyl ethers to the European Union. Our company actively promotes compliance with ROHS by purchasing several XRF machines for self-testing. Moreover, we require suppliers to provide relevant reports from an authorized inspection agency, and possess a complete testing mechanism to meet ROHS requirements.</p> <p>(b) Preventive measures mechanism for occupational accidents: The company regularly convenes a safety and health committee every three months. In addition to the mandatory occupational safety training for new employees, each employee is required to attend at least two hours of occupational accident prevention training each year to enhance their understanding of occupational accidents and prevent their occurrence.</p> <p>(c) Free annual health check-up for employees. The company regards employees as assets and offers free annual health check-ups through qualified medical institutions to monitor their physical condition. Additionally, for employees in jobs with exposure to high levels of noise or dust, the company conducts checks to understand their health status and use the results for employee health management classification.</p> <p>(d) Water quality testing for factory drinking water: Quarterly, an external qualified testing agency is commissioned to conduct water quality testing for drinking water in the factory, to ensure the safety of drinking water for employees.</p> <p>(e) Implement automatic inspection operations: Employees may suffer physical injuries due to unsafe operations, equipment or management in different work environments, processes, operations and tasks. To address this, the company has established automatic inspection procedures and</p>

Promotion Item	Implementation		Summary	Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Y	N		
			<p>developed automatic inspection checklists for dangerous machines or equipment such as lathes, presses, milling machines, etc.</p> <p>(f) On-site work environment measurement. Our company commissions a qualified environmental measurement unit every year to conduct on-site work environment measurements for noise, dust, and local exhaust devices. The annual measurement results have all been qualified to ensure the safety of the working environment for our employees.</p> <p>(g) Perimeter Environmental Monitoring Our company commissions a qualified environmental monitoring unit every year to conduct environmental monitoring on our noise and effluent water. The annual test results are all qualified in order to maintain harmonious relations with our neighboring factories.</p> <p>(h) Mother-Friendly Workplace Environment The Company is committed to creating a mother-friendly workplace. Pregnant female employees are exempt from night shifts. In compliance with labor laws, we offer paternity leave, family care leave, and other related benefits. A dedicated lactation room is provided on-site, equipped with proper furniture, refrigerators, and other necessary facilities. Additionally, the Company has partnered with designated kindergartens to support female employees through every stage of pregnancy, childbirth, and childcare. These measures enable employees to maintain a healthy work-life balance while aligning with government policies on gender equality, thereby contributing to the sound development of both society and the economy.</p> <p>(i) Prevention of Unlawful Infringement The Company strictly complies with labor laws and regulations and enforces internal policies to protect employees' rights. We uphold international human rights conventions, including gender equality, the right to work, and the prohibition of workplace violence, in order to ensure the physical and mental well-being of all workers.</p> <p>(j) Support for Employees' Physical and Mental Well-being and Work-Life Balance The Company offers a variety of activities and encourages participation in employee clubs to enhance interpersonal interactions, promoting the concept of work-life balance and enriching both professional and personal lives.</p>	

Promotion Item	Implementation			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Y	N	Summary	
(4) Does the Company provide its employees with career development and training sessions?	✓		<p>C. Establishment of a Regular Employee Communication Mechanism</p> <p>(a) The Company holds a monthly “Ziqiang Meeting” to regularly communicate important government policies or major company initiatives to employees.</p> <p>(b) Monthly forums are also held with foreign employees to facilitate two-way communication.</p> <p>D. Establishment of an Effective Career Development Training Plan for Employees</p> <p>To ensure the effective implementation of the company's human resource strategy, we have designed an educational and training system that includes four key areas: exclusive training courses for new employees, a management training system based on different levels, a professional training system based on job functions, and an On-the-Job Training (OJT) system. Additionally, we utilize competency assessments to identify gaps in human resources and implement targeted training programs.</p> <p>(4) In order to effectively develop our company's human resource strategy, we have designed an education and training system that includes four main categories: specialized training courses for new employees, training programs for hierarchical management, professional training programs by job function, and an on-job training system. We have also utilized job function assessments to understand any gaps in our workforce's skills, and have implemented education and training to address those gaps.</p>	
(5) Does the Company establish any consumer protection policies and appealing procedures for the health and safety of customers, in accordance with the laws and international standards governing products, services, customer privacy, marketing, and labeling?	✓		<p>(5) Since the Company does not directly sell products to consumers, the Company does not offer complaint channel to consumers in terms of R&D, purchase, production, operation, and service procedure. Nonetheless, the Company offers complete complaint procedure for customers.</p>	
(6) Does the Company establish supplier management policy to request suppliers for the relevant regulations in environmental production, occupational safety and health or human rights for labor, as well as the implementation status?	✓		<p>(6) The Company conducts quality system assessment on major suppliers, which items tested include the organization quality and environmental system of the supplier, quality and environment records, occupational safety and health and works’ rights under social responsibility. The audited suppliers have all complied with the requirement.</p>	

Promotion Item	Implementation			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Y	N	Summary	
5. Does the Company refer to the standards or guidelines for preparing international standard reports for the preparation of sustainable development report and other reports disclosing non-financial information of the Company? Has the aforementioned report acquired validation or opinion of guarantee from third certification body?	✓		The Company prepares its 2025 Sustainability Report with reference to internationally recognized standards or guidelines, and it is expected to be disclosed and filed in August 2026.	No discrepancies
6. If the Company has established its own corporate social responsibility best practice principles according to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, please state the difference: The Company upholds to the business philosophy of “Savors in self, people and society” to implement according to “the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies,” with al operations executed by fulfilling the mission of corporate social responsibility.				
7. Other important information helpful in understanding corporate sustainable development and social responsibilities operation: (1) The Company has acquired ISO-9001 quality certificate in 1996, IATF-16949 quality certificate in 2004, ISO-14001 quality certificate in 2005, passed ISO 14001:2015 environmental management system transition certificate in 2017, and passed IATF-16949 transition certificate in 2018. In 2024, the Company obtained the ISO 45001:2018 Occupational Health and Safety Management System certification. In 2013, the group acquired the green partner certificate from SONY, its Shanghai representative group passed the ecovadis CSR certificate in 2016, while the Thailand factory was awarded by CANON with green outstanding award in 2017. (2) In response to government policy on green energy, the Company deployed solar panel on the roof to reduce CO2 emission. (3) The Company purchased power-saving air pressure system and variant-frequency air conditioner in the factory to reduce power consumption, in response to government policy on energy saving. (4) In accordance with the ISO 14064:2018 standard, the Company conducted an organizational carbon inventory for the 2024 fiscal year in the Taiwan region (Xinwu Plant and Bade Plant). The "2024 Greenhouse Gas Inventory Report" was completed and successfully verified by the third-party TUV on July 28, 2025. The 2024 Greenhouse Gas Inventory Report is available on the GShank website: https://www.gshank.info/tw/quality . (5) In accordance with the ISO 14064:2018 standard, the Company conducted an organizational carbon inventory for the 2025 fiscal year in the Taiwan region (Xinwu Plant and Bade Plant). As of the publication date of the 2025 annual report (May 10, 2026), the organizational carbon inventory for the Taiwan region (Xinwu Plant and Bade Plant) has been completed internally. It is currently undergoing third-party verification by TUV, with the verification expected to be completed by August 2024. (6) The Company prepares its 2025 Sustainability Report with reference to internationally recognized standards or guidelines. The report is expected to be disclosed and filed in August 2026, and the 2025 Sustainability Report will also be made available on the website of G-Shank Enterprise Co., Ltd.. https://www.gshank.info/tw/tw/csr				

The company's implementation status on climate-related information:

Items	Implementation status
<ol style="list-style-type: none"> 1. Describe the supervision and governance of climate-related risks and opportunities by the board of directors and management. 2. Explain how identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, and long-term). 3. Describe the financial impact of extreme weather events and transformational actions. 4. Explain how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 5. If scenario analysis is used to evaluate resilience in the face of climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and major financial impacts used. 6. If there is a transformation plan to manage climate-related risks, describe the plan's contents, indicators, and targets used to identify, manage physical and transition risks. 7. If internal carbon pricing is used as a planning tool, explain the basis for price determination. 8. If climate-related objectives are set, describe the covered activities, greenhouse gas emission scopes, planning timelines, annual progress and information; if carbon offsetting or renewable energy certificates (RECs) are used to achieve the relevant objectives, explain the source and quantity of carbon credits or the number of RECs used. 9. Greenhouse gas inventory and verification status (to be filled in at Table 1). 	<ol style="list-style-type: none"> 1. An emergency response Standard Operating Procedures (SOP) has been developed and practiced within the plant to address extreme weather events such as typhoons and floods. 2. The Taiwan region factories (Xinwu and Bade plants) will conduct an annual greenhouse gas inventory and verification, and the inventory quantities will be compiled in the form at Table 1.

Table 1

Basic Information of Our Company	According to the regulations of the Sustainable Development Roadmap for Listed Companies, at least the following should be disclosed.
<input type="checkbox"/> Capital: capital of over 10 billion 、 Steel industry 、 Cement industry	<input type="checkbox"/> Parent Company Check <input type="checkbox"/> Consolidated Financial Statements for subsidiaries Check
<input type="checkbox"/> Capital: between 5 billion and less than 10 billion	<input type="checkbox"/> Parent Company Verification <input type="checkbox"/> Consolidated Financial Statements for subsidiaries Verification
<input checked="" type="checkbox"/> Capital: less than 5 billion	<input checked="" type="checkbox"/> Parent Company Verification <input type="checkbox"/> Consolidated Financial Statements for subsidiaries Verification

2024 carbon disk data total 6,631.458 MT CO₂e

2024 Hsinwu factory revenue: 1,632 million

Parent Company: Hsinwu Factory	Total Emissions (MT CO2e)	Density (MT CO2e/ million)	Certainty Institution	Clarification of Certain Circumstances
Scope 1	298.1444 MT CO2e	0.183	TUV	Reasonable Assurance Level , Obtained Certificate on July 28, 2025. (ISO-14064-1:2018)
Scope 2	4,997.2668 MT CO2e	3.062		
Scope 3	1,336.04634 MT CO2e Limited Warranty Level, Obtained Certificate on July 28, 2025. (ISO-14064-1:2018)			

2024 the carbon inventory of the Bade plant amounts to 226.957 MT of CO2e.

2024 the revenue of the Bade plant is NTD311 million.

Parent Company: Hsinwu Factory	Total Emissions (MT CO2e)	Density (MT CO2e/ million)	Certainty Institution	Clarification of Certain Circumstances
Scope 1	21.9629 MT CO2e	0.0706	TUV	Reasonable Assurance Level , Obtained Certificate on July 28, 2025. (ISO-14064-1:2018)
Scope 2	156.2152 MT CO2e	0.5023		
Scope 3	48.7792 MT CO2e Limited Warranty Level, Obtained Certificate on May 28, 2025. (ISO-14064-1:2018)			

(6) Implementation of Ethical Corporate Management, Discrepancies in the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Reasons for Such Discrepancies

Evaluation Item	Implementation			Discrepancies in the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Y	N	Summary	
<p>1. Formulate policies and plans for ethical corporate management</p> <p>(1) Has the Company clearly indicated policies and activities related to ethical corporate management in its bylaws and external documents, and are the Company's directors and management actively fulfilling their commitment to corporate policies?</p> <p>(2) Has the Company established an evaluation mechanism for risks associated with unethical conducts and regularly analyzes and evaluates business activities subject to higher risk of unethical conducts within the scope of business? Has the Company developed measures for preventing unethical conducts, which at least covers the preventive measures under the items prescribed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?"</p> <p>(3) Has the Company stipulates operation procedures, conduct guide, disciplinary and grievance system for violation for preventing unethical conducts, in addition to implementing execution and regularly review and revise the aforementioned solution?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) To establish the foundation of corporate culture and sound organization development of the integrity management of the company, in addition to establishing the framework of excellent commercial operation, the Company has established the "Code of Ethical Conduct" according to the "Ethical Corporate Management Best Practice Principles," as compliance of implementing ethical management. The relevant internal operation specification and internal control system are developed to review the different operations. Any major violations will be reported at the Board of Directors Meeting.</p> <p>(2) The company analysis on business scope shows that "purchase" and associate supplier" have relatively higher management risks and hence the Company develops treaty with associate suppliers as preventive measures.</p> <p>(3) The Company develops the "Code of Ethical Management" according to the "Ethical Corporate Management Best Practice Principles" and provides training for new employees during education and training with implementation of execution.</p>	No major discrepancies

Evaluation Item	Implementation			Discrepancies in the Ethical Corporate Management Best Practice Principles for TWSE/GTS M Listed Companies and Reasons
	Y	N	Summary	
<p>2. Implement ethical corporate management</p> <p>(1) Has the Company evaluated ethical records of its counterpart? Does the contract signed by the Company and its trading counterpart clearly provide terms on ethical conduct?</p> <p>(2) Has the Company established a full-time unit directly under the supervision of the Board, which is devoted to promoting corporate ethical business, and routinely (at least once a year) reporting the ethical management policies and solutions for preventing unethical conducts as well as the implementation to the Board?</p> <p>(3) Has the Company established policies preventing conflict of interest, provided proper channels of appeal, and enforced these policies and opened channels accordingly?</p> <p>(4) Has the Company established effective accounting systems and internal control systems for enforcing ethical corporate management? Are regular audits carried out by the Company's internal audit unit or commissioned to a CPA?</p> <p>(5) Does the Company regularly organize internal and external training on ethical corporate management?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company develops "Treaty with Purchase and Associate Suppliers" to prohibit all employees and their relatives/friends with direct or indirect contact to the associate suppliers, within the scope of personal work, to proceed with the non-business related loans, lease, investment, and any other non-direct and non-business activities.</p> <p>(2) The Company will assign the operation management department-general affairs office as the current unit for corporate integrity management. The factor-wide monthly meeting allows the Company to advocate and explain the launch of corporate integrity management. Additionally, the Board of Directors meeting will explain and report the corporate integrity management, if necessary.</p> <p>(3) The Company establishes internal "Treaty with Purchase and Associate Supplier." Any violation will lead to the general affairs office or audit office to collect relevant data and requesting the related party for statement and explanation.</p> <p>(4) To ensure the implementation of integrity management, the Company establishes valid accounting system and internal control system, conducting the internal audit periodically and verifying the compliance of aforementioned system at all subsidiaries of the group.</p> <p>(5) The Company not only offers training to new employees but conduct experience based instruction activities by groups so that the employees will understand the importance of integrity.</p>	No major discrepancies
<p>3. Operation of whistle-blowing mechanisms in the Company</p> <p>(1) Has the Company established concrete whistle-blowing and rewarding systems and accessible whistle-blowing channels? Does the Company assign a suitable and dedicated individual for the case being exposed by the whistle-blower?</p>			<p>(1) The Company sets up the whistle-blowing channel below: A. Compliant Hotline: 03-4775141 EXT 100 B. Complaint Email: HR@mail.gs.com.tw</p>	

Evaluation Item	Implementation			Discrepancies in the Ethical Corporate Management Best Practice Principles for TWSE/GTS M Listed Companies and Reasons
	Y	N	Summary	
<p>(2) Has the Company stipulated standard operating procedures (SOP) and relevant systems of confidentiality for investigating the case being exposed by the whistle-blower?</p> <p>(3) Has the Company adopted protection against inappropriate disciplinary action for the whistle-blower?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(2) The Company sets up standard operating procedures (SOP) for whistle-blowing. If the case exposed by whistle-blower is investigated with truth, the Company will distribute bonus as incentive.</p> <p>(3) The Standard Operating Procedures (SOP) has explained the member of investigation team and the related parties shall keep confidentiality over the investigation process and relevant data, and may not disclose such information without authorization.</p>	No major discrepancies
<p>4. Strengthening information disclosure</p> <p>(1) Has the Company disclosed the content of its best practices on ethical corporate management and the effectiveness of its activities on its official website or the Market Observation Post System (MOPS)?</p>	<p>✓</p>		<p>(1) The Company sets up group promotional website to disclose the corporate culture. Each month the Company holds factory-wide meeting to promote company operation and philosophy. The Company establishes headquarter to collect relevant data and may advocate to employees and stakeholders, if necessary.</p>	No major discrepancies
<p>5. Where the Company has stipulated its own best practices on ethical corporate management according to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the prescribed best practices and actual activities taken by the Company: To establish the foundation of corporate culture and sound organization development of the integrity management of the company, in addition to establishing the framework of excellent commercial operation, the Company has established the “Code of Ethical Conduct” according to the “Ethical Corporate Management Best Practice Principles,” and incorporated the “Codes of Ethical Conduct” in corporate management and operations. The Company also periodically comply with the code and review the implementation to make improvement. There has not been any major discrepancy since the implementation.</p>				
<p>6. Any important information useful for understanding the state of ethical corporate management (e.g. Company review and amendment on the formulated ethical management best practice): The Company complies with Compact Act, Securities and Exchange Act, and other commercial conduct related decrees as the implementation of basic philosophy in integrity management.</p>				

(7) Other Important information for better understanding of the implementation of corporate governance: None.

(8) The implementation of Internal Control System should disclose the follows:

(A) Statement of Internal Control System

G-SHANK ENTERPRISE

Statement of Internal Control System

Date: March 13, 2026

The 2025 Statement of Internal Control System is issued based on the self-assessment of the Company:

1. The Company acknowledges that the establishment, implementation and conservation of the internal control system are the responsibilities of the Board of Directors and the managers of the Company. The Company has constructed such system. The objectives of the internal control system include achieving various objectives in business benefits and efficiency (including profitability, performance, and protection of assets and safety); ensuring the reliability, timeliness, transparency, and regulatory compliance of reporting; and providing reasonable assurance.
2. The internal control system has inherent constraints, and no matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above-mentioned objectives. Moreover, the effectiveness of the internal control system may be altered from changes in the environment and under different situations. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company assesses for the effectiveness of the internal control system's design and practices through the effectiveness of internal control system, as stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as "the Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: 1 Control Environment; 2 Risk Assessment; 3 Control Activities; 4 Information and Communication; and 5 Monitoring Activities. Each constituent element includes a number of categories. Please refer to "the Regulations" for the aforementioned categories.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid items of determination for internal control system.
5. Based on the above assessment results, the Company determined that the Company's internal control system on December 31, 2025 (covering monitoring and management of its subsidiaries) has been effectively designed and implemented and sufficient to ensure that the objectives below are achieved, including understanding the degree of achievement of operational effectiveness and efficiency objectives, reliable, timely and transparent reporting and compliance of applicable rules, laws, regulations and bylaws.
6. This Statement will form an integral part of the Annual Report and the Prospectus of the Company. If the aforementioned content contains illegal matters such as any fraudulent or hidden information, the Company will be in question of breaching Articles 20, 32, 171, and 174 in the Securities and Exchange Act and face legal consequences.
7. The Statement has been approved by the Board of Directors on March 13, 2026. Among 9 directors (including 4 independent directors) present, no director raised any objection. All of them agreed with the contents of this statement and made this statement.

G-SHANK ENTERPRISE CO., LTD.

Chairman: Yu-Huang Lin

General Manager: Ying-Shuo Lin

(B) Any CPA commissioned to conduct a project review of the internal control system shall disclose the CPA's evaluation report: N/A.

(9) Important resolutions of shareholders' meeting and board of directors meeting in the most current fiscal year up to the date of publication of the annual report :

(A) Content and implementation of important resolutions of shareholders' meeting:

Meeting date	Important resolutions	Implementation
2025.06.13	1. Adopted the 2024 business report, separate and consolidated financial statements.	The proposition was adopted by voting.
	2. Adopted the proposition for 2024 earning distribution.	This proposal has been approved by a vote and authorized by the chairman, with an ex-dividend date of August 20, 2025, and a payment date of September 10, 2025. The cash dividend of \$210,738 thousand (NTD) has been fully distributed, with a dividend of \$1.0 (NTD) per share.
	3. The proposal to distribute cash through capital reserve issuance was approved.	The proposal was approved through a vote and was authorized by the Chairman. The ex-dividend date was set for August 20, 2025, and the payment date was set for September 10, 2025. A total cash distribution of NT\$526,845 thousand (NT\$2.5 per share) has been fully disbursed.
	4. Approved the proposal to amend the Company's Articles of Incorporation.	The proposal was approved as presented following a vote.
	5. Approved the proposal for the by-election of a director.	List of elected directors: Lin Ying-Shuo
	6. Approved the proposal to lift the non-competition restrictions for newly appointed and incumbent directors.	The proposal was approved as presented following a vote.

(B) Important Resolutions of Board of Directors

Session of Board of Directors	Date	Important Resolutions
2025 First	2025.3.07	<ol style="list-style-type: none"> 1. Report on the insurance purchased by directors and executives. 2. Report on the results of the performance evaluation of the board of directors for the fiscal year 2024. 3. Report by the Corporate Governance Officer. 4. Report on the progress of the investment and establishment of Huizhou G-Bao Sdn. Bhd.. 5. Funding Progress Report Proposal. 6. Approved the record date for the issuance of new shares arising from the conversion of the Company's Second Domestic Unsecured Convertible Bonds (Q4 2024) into common shares, as well as the exercise of employee stock options for capital increase. 7. Pass a proposal for the distribution of employee and director compensation for fiscal year 2024. 8. Pass a proposal for the amount of employee compensation for fiscal year 2024 for executives. 9. Pass a proposal for the self-preparation of individual financial reports and consolidated financial reports for fiscal year 2024.

Session of Board of Directors	Date	Important Resolutions
		<ol style="list-style-type: none"> 10. Pass a proposal on the assessment of the effectiveness of internal control systems and the internal control system statement for fiscal year 2024. 11. Pass a proposal for the self-preparation of individual financial reports and consolidated financial reports for fiscal year 2024. 12. Pass a proposal for the distribution of earnings for fiscal year 2024. 13. Proposal to Distribute Cash from Capital Surplus. 14. Approved the amendment to the Company's Articles of Incorporation. 15. Approved the proposal for the by-election of a director. 16. Approved the list of nominees for the 2025 by-election of directors. 17. Approved the proposal to lift the non-competition restrictions for newly appointed and incumbent directors. 18. Proposal to determine the date and location of the 2025 annual shareholder meeting. 19. Proposal to Approve Credit Facility from Chinatrust Commercial Bank. 20. Proposal to review the financial transactions in the fourth quarter of the group's various businesses that may be considered indirect financing. 21. Approved the "Sustainability Development Committee Charter." 22. Approved the "Sustainability Report Preparation and Assurance Procedures." 23. Approved the appointment of the First Sustainability Development Committee.
2025 Second	2025.5.2	<ol style="list-style-type: none"> 1. Report on the greenhouse gas inventory. 2. Report on the progress of the utilization of funds raised. 3. Approved the record date for the issuance of new shares arising from the conversion of the Company's Second Domestic Unsecured Convertible Bonds (Q1 2025) into common shares, as well as the exercise of employee stock option certificates for capital increase. 4. Approval of the financial statements for the first quarter of the year 2025. 5. Approval of credit from Bank of Taiwan. 6. Approval of credit from E.SUN Commercial Bank.. 7. Approval of the review of the financial connections among various companies within the group in the first quarter.
2025 Third	2025.8.4	<ol style="list-style-type: none"> 1. Report on the Allocation of 2025 Cash Dividends and Capital Reserve Distribution Cash Schedule. 2. Report on the Adjustment of Conversion Price for the Company's Domestic 2nd Unsecured Convertible Bonds and Adjustment of Subscription Price for Employee Stock Option Certificates Issued in 2018 and 2022 Due to Ex-Dividend Date. 3. Report on the liquidation of Dongguan Qiaoju Trading Co., Ltd., an investment held through an offshore company under G-Long Precision Machinery (Dongguan) Co., Ltd.. 4. Report on the Progress of Greenhouse Gas Emission Inventory. 5. Report on the Progress of Fundraising and Fund Utilization.. 6. Report on Insider Violation of Securities and Exchange Act Article 157 Regarding Short-term Trading. 7. Approval of the 2025 Q2 Consolidated Financial Report. 8. Approval of Credit from Federal Bank. 9. Approval of Credit from Mega International Commercial Bank. 10. Approval of Credit from Cathay United Bank. 11. Approval of Credit from Taipei Fubon Commercial Bank. 12. Approved the Company's 2024 Sustainability Report. 13. Approval of Revision to the 'Internal Control Written System' and 'Internal Audit Written System'. 14. Approval of Reviewing the Group's Enterprises' 2nd Quarter Financial Transactions.

Session of Board of Directors	Date	Important Resolutions
2025 Fourth	2025.10.31	<ol style="list-style-type: none"> 1. Report on the progress of the investment and establishment of G-Shank Philippines Corp. 2. Report on the factory expansion project of Shanghai G-Shank Precision Machinery Co., Ltd. 3. Report on the acquisition of equity in G-Shank Japan Co., Ltd.. 4. Fundraising progress report case. 5. Report on the progress of the investment and establishment of Huizhou Jubao Precision Mold Co., Ltd. 6. Approval of the Company's Domestic 2nd Unsecured Convertible Bonds' 2025 Q3 Conversion Date for Common Stock and Employee Stock Option Certificates' Conversion to New Shares for Capital Increase. 7. Approval of the 2025 Q3 Consolidated Financial Report. 8. Approved the definition of "frontline employees" of the Company. 9. Approval of Revision to the 'Internal Control Written System' and 'Internal Audit Written System'. 10. Approved the amendment to the "Terms and Conditions for the Issuance and Conversion of the Company's Second Domestic Unsecured Convertible Bonds." 11. Approval of Credit from Chinatrust Commercial Bank. 12. Approval of Credit from Far Eastern International Commercial Bank. 13. Approval of Credit from Bank SinoPac Company Limited 14. Approval of Reviewing the Group's Enterprises' 3rd Quarter Financial Transactions.
2025 Fifth	2025.12.29	<ol style="list-style-type: none"> 1. Corporate Governance Report. 2. Report on the progress of the investment and establishment of G-Shank Philippines Corp. 3. Report on the Progress of Fundraising and Fund Utilization.. 4. Approval of Partial Directors and Executives' 2026 Salary and Compensation. 5. Approval of Business Travel Expenses for Directors in 2026. 6. Approval of the 2026 Internal Audit Plan Progress. 7. Approval of the 2026 Operating Plan. 8. Approval of Independent Auditor's Independence and Qualifications Evaluation and Appointment Fees.
2026 First	2026.3.13	<ol style="list-style-type: none"> 1. Report on the purchase of insurance by directors and executives case. 2. Report on the performance evaluation results of the 2025 Board of Directors. 3. Corporate Governance Report. 4. Report on the progress of the investment and establishment of G-Shank Philippines Corp. 5. Report on the progress of investing in Hui Zhou G-Bao Precision Sdn. Bhd. 6. Fundraising progress report case. 7. Report on the progress of greenhouse gas inventory. 8. Approval of the Basis Date for the Conversion of Domestic 2nd Unsecured Convertible Bonds into Common Shares and Employee Stock Option Certificates for New Share Issuance and Capital Increase for the 4th Quarter of 2025. 9. Approval of the distribution of employee compensation and director compensation for the 2025 year. 10. Approval of the amount of employee compensation for managerial staff for the 2025 year. 11. Resolved to approve the adjustment of the salary range for the Company's entry-level employees for 2026. 12. Approval of the preparation of individual financial statements and consolidated financial statements for the 2025 year. 13. Approval of the annual report, individual, and consolidated financial statements for the 2025 year.

Session of Board of Directors	Date	Important Resolutions
		14. Approval of the "Assessment of Internal Control System Effectiveness" and "Internal Control System Statement" for the 2025 year. 15. Approval of profit distribution for the 2025 year. 16. Approval of distribution of capital reserves in cash case. 17. Approval of the By-election of Directors. 18. Approved the list of candidates nominated for the election of directors (including independent directors) for 2026. 19. Approval to Waive the Non-competition Restrictions for Newly Appointed and Current Directors. 20. Approved matters relating to the 2026 Annual General Shareholders' Meeting. 21. Approval of the Review on Indirect Intercompany Financing Activities for Q4 2024.
2026 Second	2026.4.30	1. Report on the progress of the plant construction at Shanghai G-Shank Precision Machinery Co., Ltd. 2. Report on the progress of the investment in G-Shank Philippines Corp. 3. Report on the progress of the investment in Huizhou G-Bao Precision Mold Co., Ltd. 4. Report on the conversion of convertible bonds. 5. Report on the progress of greenhouse gas inventory. 6. Approval of the Record Date for Capital Increase through Conversion of Domestic 2nd Unsecured Convertible Bonds and Employee Stock Warrants into Common Shares for the First Quarter of 2026 7. Approval of the first quarter consolidated financial statements for the 2026 year. 8. Approved the nomination of an additional candidate for the election of directors in 2026. 9. Approved the proposal to lift the non-competition restrictions for newly appointed directors. 10. Resolved to approve the issuance of 2026 employee stock options. 11. Approval of credit extension from E. Sun Bank. 12. Approval of reviewing the situation of inter-company financial assistance in the first quarter of various enterprises within the group.

(10) Main content of different opinion with records or statement in writing from the directors towards the adoption of important resolutions, in the most current fiscal year up to the date of publication of the annual report: None.

4. Information on Certified Public Accountant Fees:

(1) Information on Certified Public Accountant Fees

Unit Amount: NT\$ thousands

Name of CPA Firm	Name of CPA	CPA Audit Period	Audit Fees	Non-Audit Fees (note)	Total	Remarks
Diwan & Company	Lu, Jui-Wen Li, Pin-Chueh	2025.1.1 ~ 2025.12.31	2,025	200	2,225	

Note: Non-audit fees include: business registration fee of NTD 180 thousand and review fee for direct deduction of business tax of NTD 20 thousand.

- (2) The audit fees paid to CPA firm and for the year of replacement is reduced compared with the audit fee from previous year: None.
- (3) Audit fees reduced by 10% or more, compared with previous year: none.
5. Information on Replacement of Certified Public Accountants: None.
6. The chairman, president, managerial officer responsible for finance or accounting services of the Company having worked at the CPA firm or affiliated enterprise:
None.
7. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most current fiscal year up to the date of publication of the annual report:
- (1) Change in Equity Among Directors, Managerial Officers, and Major Shareholders:

Title	Name	2025		2026, as of April 14	
		Shares held increase (decrease)	Pledged shares increase (decrease)	Shares held increase (decrease)	Pledged shares increase (decrease)
Chairman	Lin, Yu-Huang	0	0	0	0
Director	Lin, Hsien-Kuo	0	0	0	0
Director	Tseng, Chia-Jung	0	0	0	0
General Manager	Lin, Yin-Shuo	102,000	0	0	0
Director and Deputy General Manager (Note)	Lin, Ying-Chih	60,000	0	0	0
Independent Director	Ma, Shu-Chin	0	0	0	0
Independent Director	Liao, Ya-Ling	13,000	0	2,302	0
Independent Director	Chen, Hung-Yi	0	0	0	0
Independent Director (Note)	Liu, Ssu-Min	0	0	0	0
Deputy General Manager	Lin, Yong-Bao	102,000	0	(39,000)	0
Production Division II Factory Chief	Cheng, Rui-Dian	48,000	0	0	0
Manager	Liao, Wen-Ying	40,000	0	0	0
Assistant Manager	Liau, Yu-Fen	15,000	0	0	0

Note: Director Lin, Ying-Shuo was re-election on June 13, 2025.

- (2) Information on stakeholder as related party to equity transfer: None.
- (3) Information of stakeholder as related party to pledged equity: None.

8. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree):

Relationship between Top Ten Shareholders

Name	Shares held personally		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Title or name and Relationship of top ten Shareholders who are related parties, spouses, or relatives within the second degree of kinship		Remarks
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Name	Relation	
Ji Hong Investment Co., Ltd.	16,089,465	7.38%	0	0.00%	0	0%	None	None	
Ji Hong Investment Co., Ltd. Representative: Lin, Ying-Tzu	366,503	0.17%	0	0.00%	0	0%	Lin, Yu-Huang	Parent-child	
							Zhan, Mei-Zhu	Parent-child	
							Lin, Ying-Shuo	Sibling	
							Lin, Ying-Chih	Sibling	
Chen Lin Investment Ltd.	9,052,790	4.15%	0	0.00%	0	0%	None	None	
Chen Lin Investment Ltd. Representative: Lin, Ying-Shuo	1,821,643	0.83%	179,803	0.08%	1,734,603	0.80%	Lin, Yu-Huang	Parent-child	
							Zhan, Mei-Zhu	Parent-child	
							Lin, Ying-Chih	Sibling	
							Lin, Ying-Tzu	Sibling	
Lin, Yu-Huang	8,612,089	3.95%	5,687,897	2.61%	0	0%	Zhan, Mei-Zhu	Spousal	
							Lin, Ying-Shuo	Parent-child	
							Lin, Ying-Chih	Parent-child	
							Lin, Ying-Tzu	Parent-child	
Hong Yue Investment Co., Ltd.	7,351,650	3.37%	0	0.00%	0	0%	None	None	
Hong Yue Investment Co., Ltd. Representative: Lin, Ying-Chih	3,588,439	1.64%	955,533	0.44%	0	0%	Lin, Yu-Huang	Parent-child	
							Zhan, Mei-Zhu	Parent-child	
							Lin, Ying-Shuo	Sibling	
							Lin, Ying-Tzu	Sibling	
Zhan, Mei-Zhu	5,687,897	2.61%	8,612,089	3.95%	0	0%	Lin, Yu-Huang	Spousal	
							Lin, Ying-Shuo	Parent-child	
							Lin, Ying-Chih	Parent-child	
							Lin, Ying-Tzu	Parent-child	
Lu Rui-ling	4,000,000	1.83%	0	0.0%	0	0%	None	None	
Wei Fong Investment Co., Ltd.	3,860,000	1.77%	0	0.00%	0	0%	None	None	
Wei Fong Investment Co., Ltd. Representative: Lin, Zi-Wei	25,000	0.01%	0	0.0%	0	0%	Lin, Hsien-Kuo	Parent-child	
Lin, Hsien-Kuo	3,793,106	1.74%	53,607	0.02%	0	0%	Lin, Zi-Wei	Parent-child	
Lin, Yin-Chih	3,588,439	1.65%	955,533	0.44%	0	0%	Lin, Yu-Huang	Parent-child	
							Zhan, Mei-Zhu	Parent-child	
							Lin, Ying-Shuo	Sibling	
							Lin, Ying-Tzu	Sibling	
Chen Guang Investment Co., Ltd.	3,409,498	1.56%	0	0.00%	0	0%	None	None	
Chen Guang Investment Co., Ltd. Representative: Ying-Chih Lin	3,588,439	1.65%	955,533	0.44%	0	0%	Lin, Yu-Huang	Parent-child	
							Zhan, Mei-Zhu	Parent-child	
							Lin, Ying-Shuo	Sibling	
							Lin, Ying-Tzu	Sibling	

9. Shareholding of the same reinvestment business through the Company, Company Directors, managerial officers, and the directly or indirectly business controlled by the Company, with the consolidated calculation of comprehensive shareholding ratio:

April 14, 2026 Unit: Share; %

Reinvestment Business	G-SHANK Investment		Business investment directly or indirectly controlled by director and managerial officers		Comprehensive Investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
G-Shank Enterprise (M) Sdn. Bhd. (Note 1.)	6,924,750	92.33%	75,000	1.00%	6,999,750	93.33%
G-Shank, Inc.	1,000	100.00%	-	-	1,000	100.00%
Shanghai G-Shank Precision Machinery Co., Ltd. (Note 1.)	-	85.00%	-	15.00%	-	100.00%
Great Shank Co., Ltd. (Note 1.)	7,968,750	85.00%	-	-	7,968,750	85.00%
Chin De Investment Co., Ltd. (Note 1.)	5,000,000	100.00%	-	-	5,000,000	100.00%
Grand Star Enterprises L.L.C. (Note 1.)	-	100.00%	-	-	-	100.00%
Sunflex Tech Co., Ltd. (Note 1.)	11,375,148	14.34%	11,612	0.01%	11,386,760	14.35%
G-Shank Japan Co., Ltd (Note 1.)	1,440	80.00%	360	20.00%	1,800	100.00%
G-Shank Precision Machinery (Suzhou) Co., Ltd (Note 1.)	-	5.86%	-	94.14%	-	100.00%
G-Shank Philippines Corp.	2,093,200	100.00%	-	-	2,093,200	100.00%
Reel Mask Industry Co., Ltd. (Note 2.)	3,392,713	9.98%	-	-	3,392,713	9.98%

Note 1: The long-term equity investment of the Company using equity method.

Note 2: The company's accounts is at Financial assets at fair value through profit or loss – noncurrent.

III. Capital Raising Activities

1. Capital and Shares:

(1) Source of capital stock

(A) Capital formation

May 10, 2026 Unit: NT\$/share

Year/Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
1973.11	10	600,000	6,000,000	150,000	1,500,000	Establishment	None	None
1975.01	10	600,000	6,000,000	355,000	3,550,000	Capital increase out of earnings: 2,050,000	None	None
1977.06	10	600,000	6,000,000	450,000	4,500,000	Capital increase out of earnings: 950,000	None	None
1979.07	10	600,000	6,000,000	600,000	6,000,000	Capital increase in cash: 1,500,000	None	None
1986.06	10	1,000,000	10,000,000	1,000,000	10,000,000	Capital increase in cash: 4,000,000	None	None
1987.11	10	2,000,000	20,000,000	2,000,000	20,000,000	Capital increase in cash: 10,000,000	None	None
1989.06	10	5,000,000	50,000,000	5,000,000	50,000,000	Capital increase in cash: 30,000,000	None	None
1992.05	10	6,500,000	65,000,000	6,500,000	65,000,000	Capital increase in cash: 15,000,000	None	None
1994.08	10	17,000,000	170,000,000	17,000,000	170,000,000	Capital increase in cash: 92,000,000 Capital increase out of earnings: 13,000,000	None	None
1995.06	10	19,900,000	199,000,000	19,900,000	199,000,000	Capital increase out of earnings: 29,000,000	None	None
1996.08	10	25,000,000	250,000,000	25,000,000	250,000,000	Capital increase in cash: 22,145,000 Capital increase out of earnings: 28,855,000	None	85.6.19(85) TAIFEX Securities Ref. No. 38719
1997.06	10	56,000,000	560,000,000	32,750,000	327,500,000	Capital increase out of earnings: 67,500,000 Capital increase out of capital reserve: 10,000,000	None	86.6.2(86) TAIFEX Securities Ref. No. 44046
1998.07	10	56,000,000	560,000,000	49,550,000	495,500,000	Capital increase out of earnings: 68,000,000 Capital increase in cash: 100,000,000	None	87.5.25(87) TAIFEX Securities Ref. No. 43765

Year/Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
1999.07	10	100,000,000	1,000,000,000	62,350,000	623,500,000	Capital increase out of earnings: 78,450,000 Capital increase out of capital reserve: 49,550,000	None	88.6.2(88) TAIFEX Securities Ref. No. 51525
2000.06	10	140,000,000	1,400,000,000	82,300,000	823,000,000	Capital increase out of earnings: 199,500,000	None	89.5.12(89) TAIFEX Securities Ref. No. 41691
2001.07	10	210,000,000	2,100,000,000	109,000,000	1,090,000,000	Capital increase out of earnings: 267,000,000	None	90.5.4(90) TAIFEX Securities Ref. No. 123128
2001.07	10	210,000,000	2,100,000,000	114,000,000	1,140,000,000	Capital increase in cash: 50,000,000	None	90.4.19(90) TAIFEX Securities Ref. No. 117998
2002.08	10	210,000,000	2,100,000,000	133,100,000	1,331,000,000	Capital increase out of earnings: 134,000,000 Capital increase out of capital reserve: 57,000,000	None	TAIFEX Securities Ref. No. 0910136403
2003.08	10	210,000,000	2,100,000,000	140,975,000	1,409,750,000	Capital increase out of earnings: 78,750,000	None	TAIFEX Securities Ref. No. 0920127377
2004.09	10	210,000,000	2,100,000,000	149,423,750	1,494,237,500	Capital increase out of earnings: 84,487,500	None	TWSE Securities Trading Ref. No. 0930129549
2005.09	10	240,000,000	2,400,000,000	161,863,413	1,618,634,130	Capital increase out of earnings: 124,396,630	None	FSC Securities and Futures Bureau Ref. No. 0940127305
2006.09	10	240,000,000	2,400,000,000	181,029,754	1,810,297,540	Capital increase out of earnings: 191,663,410	None	FSC Securities and Futures Bureau Ref. No. 0950128412
2007.08	10	240,000,000	2,400,000,000	206,053,325	2,060,533,250	Capital increase out of earnings: 250,235,710	None	FSC Securities and Futures Bureau Ref. No. 0960033674
2008.01	10	240,000,000	2,400,000,000	207,962,325	2,079,623,250	Conversion of stock warrants into shares: 19,090,000	None	(91) TSCC (1)-No. 109832, TAIFEX Ref. No. 09700024721
2008.09	10	300,000,000	3,000,000,000	236,217,804	2,362,178,040	Capital increase out of earnings: 178,573,630 Capital increase out of capital reserve: 103,981,160	None	FSC Securities and Futures Bureau Ref. No. 0970036343

Year/Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
2009.08	10	300,000,000	3,000,000,000	243,304,339	2,433,043,390	Capital increase out of earnings: 70,865,350	None	FSC Securities and Futures Bureau Ref. No. No. 0980032992
2009.10	10	300,000,000	3,000,000,000	244,304,339	2,443,043,390	Conversion of stock warrants into shares: 10,000,000	None	(91) TSCC (1)-No. 109832, TAIFEX Ref. No. 09800271381.
2014.08	10	300,000,000	3,000,000,000	180,052,298	1,800,522,980	Capital reduction: 642,520,410	None	FSC Securities and Futures Bureau Ref. No. No. 1030026111
2016.04	10	300,000,000	3,000,000,000	182,236,298	1,822,362,980	Conversion of stock warrants into shares: 21,840,000	None	FSC Securities and Futures Bureau Ref. No. 1010025192 Tai-Zheng-Shang-Yi-Zi No. 1050001873
2016.12	10	300,000,000	3,000,000,000	182,376,298	1,823,762,980	Conversion of stock warrants into shares: 1,400,000	None	FSC Securities and Futures Bureau Ref. No. 1010025192
2018.04	10	300,000,000	3,000,000,000	184,968,298	1,849,682,980	Conversion of stock warrants into shares: 25,920,000	None	FSC Securities and Futures Bureau Ref. No. 1010025192
2021.11	10	350,000,000	3,500,000,000	187,832,298	1,878,322,980	Conversion of stock warrants into shares: 28,640,000	None	FSC Securities and Futures Bureau Ref. No. 1030053808 & 1070330196
2022.05	10	350,000,000	3,500,000,000	189,768,298	1,897,682,980	Conversion of stock warrants into shares: 19,360,000	None	FSC Securities and Futures Bureau Ref. No. 1030053808 & 1070330196
2022.09	10	350,000,000	3,500,000,000	189,784,298	1,897,842,980	Conversion of stock warrants into shares: 160,000	None	FSC Securities and Futures Bureau Ref. No.1030053808
2023.03	10	350,000,000	3,500,000,000	190,654,298	1,906,542,980	Conversion of stock warrants into shares: 870,000	None	FSC Securities and Futures Bureau Ref. No. 1030053808
2024.04	10	350,000,000	3,500,000,000	205,844,298	2,058,442,980	Conversion of stock warrants into shares: 1,900,000 Cash capital increase: NTD150,000,000	None	FSC Securities and Futures Bureau Ref. No. 1070330196 1120365102.
2024.05	10	350,000,000	3,500,000,000	206,620,298	2,066,202,980	Conversion of stock warrants into shares:7,760,000	None	FSC Securities and Futures Bureau Ref. No 1070330196
2024.10	10	350,000,000	3,500,000,000	207,292,092	2,072,920,920	Conversion of convertible bonds into common shares 6,717,940	None	FSC Securities and Futures Bureau Ref. No 11203651021

Year/Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
2024.12	10	350,000,000	3,500,000,000	209,775,487	2,097,754,870	Conversion of stock warrants into shares: 830,000 Conversion of convertible bonds into common shares 24,003,950	None	FSC Securities and Futures Bureau Ref. No 1070330196 1110346977 11203651021
2025.03	10	350,000,000	3,500,000,000	210,095,958	2,100,959,580	Conversion of stock warrants into shares: 2,630,000 Conversion of convertible bonds into common shares 574,710	None	FSC Securities and Futures Bureau Ref. No 1070330196 11203651021
2025.06	10	350,000,000	3,500,000,000	210,896,003	2,108,960,030	Conversion of stock warrants into shares: 6,420,000 Conversion of convertible bonds into common shares 1,580,450	None	FSC Securities and Futures Bureau Ref. No 1070330196 11203651021
2025.12	10	350,000,000	3,500,000,000	216,620,884	2,166,208,840	Conversion of stock warrants into shares: 11,460,000 Conversion of convertible bonds into common shares 45,788,810	None	FSC Securities and Futures Bureau Ref. No 1070330196 11203651021
2026.03	10	350,000,000	3,500,000,000	217,753,180	2,177,531,800	Conversion of convertible bonds into common shares 11,322,960	None	FSC Securities and Futures Bureau Ref. No 1070330196 11203651021
2026.05	10	350,000,000	3,500,000,000	218,896,025	2,188,960,250	Conversion of convertible bonds into common shares 11,428,450 (Note 1)	None	FSC Securities and Futures Bureau Ref. No 1070330196 11203651021

Note 1: As of May 10 of 2026, the change registration with the Ministry of Economic Affairs has not been completed yet.

(B) Type of shares

April 14, 2026 Unit: Share

Type of Share	Authorized Capital			Remark
	Outstanding Shares (TWSE Listed)	Unissued Shares	Total	
Ordinary share	218,171,223	131,828,777	350,000,000	Including warrants (20 million shares) reserved for issuance

(C) Shelf registration: Not applicable.

(2) List of major shareholders

April 14, 2026

Major Shareholder	Share	Number of Shares Held	Shareholding Ratio
Ji Hong Investment Co., Ltd.		16,089,465	7.38%
Chen Lin Investment Ltd.		9,052,790	4.15%
Lin, Yu-Huang		8,612,089	3.95%
Hong Yue Investment Co., Ltd.		7,351,650	3.37%
Zhan, Mei-Zhu		5,687,897	2.61%
Lu Rui-ling		4,000,000	1.83%
Wei Feng Investment Co., Ltd.		3,860,000	1.77%
Lin, Shean-Kuo		3,793,106	1.74%
Lin, Ying-Chih		3,588,439	1.65%
Chen Guang Investment Co., Ltd.		3,409,498	1.56%

(3) Dividend policy and its implementation

(A) Dividend policy under the Articles of Incorporation

According to the Company's Articles of Incorporation, if the Company has earnings in a year, after paying income tax according to law and making up for the losses of previous years, it shall set aside 10% of earnings as legal reserve; the Company shall also side aside or reverse a certain amount of special reserve according to the competent authority's requirements and then add the undistributed earnings of previous years to the balance. Based on the remaining earnings except for the reserved amount, the Board of Directors shall submit the propose for earnings distribution to the shareholders' meeting for a resolution.

Dividend policy: The Company's is currently in the growth phase. In the future, the Company will distribute earnings based on its business expansion and in accordance with the Articles of Incorporation. However, dividends distributed in stock shall not exceed 50% of total dividends distributed for a year, and the rest shall be distributed in the form of cash.

(B) Implementation

The distribution of earnings proposed in the 2026 general meeting of shareholders is as follows:

Unit: NT\$

Item	Amount
Undistributed earnings, beginning of year	\$2,898,079,017
Plus: Net income in 2025	928,607,718
Plus: Actuarial profit of defined benefit plan in 2025	13,941,880
Less: Share of other comprehensive income of associates accounted for using equity method - undistributed earnings adjusted for items not reclassified to profit or loss	(219,256)
Less: Legal reserve	<u>(94,233,034)</u>
Distributable earnings	3,746,176,325
Less: Shareholder dividends – cash (NT\$1.5/share)	<u>(327,121,497)</u>
Undistributed earnings, end of year	<u>\$ 3,419,054,828</u>

Note: The above shareholder dividends are calculated based on the total of 218,080,998 common shares issued by the Company as of March 5, 2026.

- (4) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the shareholders' meeting: Not applicable.
- (5) Compensation of employees, directors, and supervisors
- (A) The percentages or ranges with respect to an employee, director, and supervisor compensation, as set forth in the Articles of Incorporation

According to the Articles of Incorporation, the Company shall set aside 1% to 10% and no more than 3% of pre-tax net income for the year before deducting employee and director compensation as employee compensation and director remuneration respectively. However, the Company shall reserve the amount to make up for accumulated losses, if any.

Of the employee compensation mentioned in the preceding paragraph, no less than 30% shall be distributed to frontline employees. Employee compensation referred to in the preceding paragraph shall be distributed in the form of shares or in cash. Employees entitled to receive shares or cash may include employees of the Company's subsidiaries who meet certain specific requirements set by the Board of Directors. Director compensation may only be distributed in cash.

The provision in the preceding paragraph shall be implemented by a resolution of the Board of Directors and reported to the shareholders' meeting.

If the Company has earnings in a year, after paying income tax according to law and making up for the losses of previous years, it shall set aside 10% of earnings as legal reserve; the Company shall also side aside or reverse a certain amount of special reserve according to the competent authority's requirements and then add the undistributed earnings of previous years to the balance. Based on the remaining

earnings except for the reserved amount, the Board of Directors shall submit the propose for earnings distribution to the shareholders' meeting for a resolution.

- (B) The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period
- (a) The basis for estimating the amount of employee and director compensation
The Remuneration Committee shall report the basis for estimating the amount of employee compensation to the Board of Directors for approval and then set aside 2.07% of pre-tax net income before deducting employee and director compensation. Except for some directors, directors receive no compensation currently, and no director compensation is set aside.
- (b) The basis for calculating the number of shares to be distributed as employee compensation: None.
- (c) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: None.
- (C) Any approval by the Board of Directors of distribution of compensation
- (a) The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors

Unit: NT\$ thousands

Compensation Distributed	Amount Resolution by the Board of Directors to Be Distributed (A)	Estimated Amount of Compensation (B)	Difference (A-B)	Cause of Difference and Treatment
Employee compensation	29,700	29,700	0	There is no difference in the estimated provisions in the 2025 financial statements.
Director compensation	0	0	0	

- (b) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial statements or individual financial statements for the current period and total employee compensation: Not applicable.
- (D) The actual distribution of employee, director, and supervisor compensation for the previous fiscal year
- (a) The actual distribution of employee compensation for 2024 totaled NT\$28,177 thousand in cash and NT\$0 in the form of stocks, and directors and supervisors were paid NT\$0.
- (b) The amounts of employee compensation and director compensation for 2024 distributed by the Company were the same as the estimated amounts in 2024.
- (6) Repurchase of Company's Own Shares: None.

2. Issuance of Corporate Bonds:

- (1) Details of the domestic unsecured convertible corporate bonds issued by the Company and not yet redeemed are as follows:

Type of Corporate Bonds	Domestic Unsecured Convertible Corporate Bonds, second issuance	
Issue (execution) date	January 26, 2024	
Face value	NT\$100,000	
Issue and trading venue	Taipei Exchange, TPEX	
Issue price	Issued at 113.8% of the face value	
Total amount	Total amount issued: NT\$1 billion	
Interest rate	0%	
Maturity	3-year term, maturity date: January 26, 2027	
Guarantor	Not applicable	
Trustee	Lead underwriting: Bank Sinopac Company Limited	
Underwriter	CTBC Securities Co. Ltd.	
Signing lawyer	Handsome Attorneys-at-Law, Attorney Chiu, Ya-Wen	
Signing accountant	Diwan & Company, Accountant Tseng, Chiung-Hui	
Repayment method	Except for bondholders who apply to convert to the Company's common stock, or for the Company to redeem or repurchase and cancel the bonds by the securities broker's business premises, the Company shall redeem the convertible bonds in cash within ten business days from the day after the maturity date of the convertible bonds according to the face value of the bonds.	
Outstanding principal	NT\$313,500 thousand in total	
Redemption or prepayment Terms of redemption and early payment	Please refer to Article 17 of our company's second unsecured convertible bond issuance and conversion method in domestic market.	
Restrictive clauses	None	
Name of credit rating agency, rating date, corporate bond rating results	Not applicable	
Other rights attached	As of the date of the annual report printing, the amount converted (exchanged or subscribed) into common stock, ADRs, or other securities	NT\$101,417,270
	Procedures for issuance and conversion (exchange or subscription)	Please refer to the prospectus for issuance and conversion methods.

Type of Corporate Bonds	Domestic Unsecured Convertible Corporate Bonds, second issuance
Procedures for issuance and conversion, exchange or subscription, issuance conditions affecting potential dilution of equity and impact on existing shareholder rights.	According to the assessment data submitted by the Company to the competent authority, if all of the domestic unsecured convertible bonds issued this time are converted, the dilution ratio of the share capital is approximately 7.26%, and there is no significant dilution affecting shareholders' equity.
Name of the trustee for custody of the exchange subject	Not applicable.

(2) Convertible Bonds Data Conversion

Units: Shares; NT\$ thousands

Type of Corporate Bonds		Domestic Unsecured Convertible Corporate Bonds, second issuance	
Items	Year	2025	Up to April 30, 2026 for the fiscal year.
	Conversion of Convertible Bonds Market Price	Highest	180.00
Lowest		103.15	125.00
Average		141.35	152.06
Conversion Price		69.6~66.5	66.50
Issuance Date and Conversion Price at the Time of Issuance		Issuance Date: January 26, 2024 Conversion Price at Time of Issuance: 72.2	
Method of Fulfilling Conversion Obligations		Issuance of New Shares	

(3) Convertible Bonds Data: None.

(4) Summary of Declared Corporate Bond Issuance: None.

(5) Attached Warrants Corporate Bond Data: None.

3. Issuance of Preferred Shares:

None.

4. Issuance of Global Depository Receipts:

None.

5. Issuance of Employee Stock Warrants:

- (1) Unexpired employee stock warrants issued by the Company in existence as of the date of publication of the annual report and their effect on shareholders' equity

May 10, 2026

Type of Employee Stock Warrant	2018 Employee Stock Warrant		2022 Employee Stock Warrant		
	1 st Issuance	2 nd Issuance	1 nd Issuance	2 nd Issuance	3 rd Issuance
Effective date/ Number of units	2018.8.22 / 500,000 units		2022.6.21 / 300,000 units		
Date of issuance	2018.9.12	2019.8.12	2022.8.5	2022.11.4	2023.6.5
Number of units (10 shares/unit)	290,000 units	210,000 units	100,000 units	100,000 units	100,000 units
The ratio of shares allowed for subscription to the total shares issued	1.57%	1.14%	0.53%	0.53%	0.53%
Exercise period	7 years	7 years	7 years	7 years	7 years
Way of performance	Issuance of new shares by the Company.				
Vesting period and ratio (%)	40% of the shares exercisable after two years, 80% of the shares exercisable after four years,		60% of the shares exercisable after three years 100% of the shares exercisable after five years		
Number of shares exercised	2,729,000	1,247,000	20,000	0	0
Amount of shares exercised	52,503,400	23,540,200	946,000	0	0
Number of shares not exercised	0 units (Note 1) (0 shares)	74,700 units (Note 2) (747,000 shares)	87,000 units (Note 3) (877,000 shares)	98,000 units (980,000 shares)	100,000 units (1,000,000 shares)
Subscription price/share for unexercised subscribers	-	NT\$17.70	NT\$45.20	NT\$39.60	NT\$44.80
Ratio of outstanding subscriptions to the total shares issued (%)	-	0.34%	0.40%	0.45%	0.46%
Effect on shareholders' equity	The main purpose of the issuance of employee stock warrants is to increase employees' willingness to serve the Company for a long period of time and strengthen cohesion among employees, so as to maximize the interests of the Company and its shareholders. It is beneficial to shareholders' equity.				

Note 1: 17,100 units (171,000 shares) became void as employees left office.,

Note 2: 10,600 units (106,000 shares) became void as employees left office.

Note 3: 10,300 units (103,000 shares) became void as employees left office.

Note 4: 2,000 units (20,000 shares) became void as employees left office.

- (2) Privately placed employee stock warrants as of the date of publication of the annual report: None.
- (3) The names of c-suite executives holding employee stock warrants and top ten employees holding employee stock warrants authorizing the purchase of the most shares, as well as the cumulative number of such warrants exercised by said executives and employees as of the date of publication of the annual report

	Title	Name	Number of Shares Acquired	Ratio of Shares Acquired to Total Shares Issued	Exercised				Unexercised			
					Number of Shares Subscribed	Subscription Price	Amount of Shares Subscribed	Ratio of Shares Subscribed to Total Shares Issued	Number of Shares Subscribed	Subscription Price	Amount of Shares Subscribed	Ratio of Shares Subscribed to Total Shares Issued
C-suite executives	General Manager	Lin, Yin-Shuo	720,000	0.33%	720,000	17.8~21.2	12,702,200	0.19%	0	0	0	0%
	Deputy General Manager	Lin, Yong-Bao										
	Deputy General Manager	Lin, Ying-Chih										
	Chief of Production Division II	Cheng, Rui-Dian										
	Manager	Liao, Wen-Ying										
	Assistant Manager	Liao, Yu-Fen										
Employees	Note 1		3,381,000	1.55%	2,379,000	17.8-47.3	46,618,600	1.09%	1,002,000	17.9~45.2	37,377,400	0.46%

Note 1: Lin Minglu, Lu Ruiling, Xie Qingfang, Deputy Director Liao Dezhi, Ju Bao Ju Xiang Deputy General Manager Peng Junkai, Tianjin Ju Xiang Deputy General Manager Peng Junhao, Manager Guo Zhongyi, Manager Chen Xinyu, Manager Wang Zhiqian, Senior Officer Zhuang Yifen, Deputy Manager Wan Zhixiong, Manager Xie Ruifeng, Manager Tu Mengwen, Deputy Manager Jiang Xiaoyan, Suzhou Ju Xiang Deputy General Manager Lin Yongwang, Section Chief Ceng Zhenghao, Qingdao G-Shank Vice President Zhuang Zhongxin, Manager Chen Youcheng, Manager Lin Mingzhe, Deputy Manager Huang Jie, Shi Jiachang, Section Chief Lu Tingchuan, Deputy Section Chief Wu Cunfang, Manager Liu Xinyi, Manager Jiang Lihuang, Deputy Manager Wu Zhenyuan, Section Chief Huang Yonghong, Section Chief Zhong Xintong, Section Chief Yi Shangyu, Section Chief Lu Tingguan, Deputy Section Chief Xu Jiantao, Team Leader Lin Jianming, Officer Deng Yunqian, Senior Engineer Zhang Yongxuan, Deputy Section Chief Xu Chengjia, Engineer Chen Kaihan, Team Leader Liu Youti, GSPH Factory Manager Hsu WenCheng Deputy Manager Zhuang Xiaohua, Manager Lin Ziwen, Deputy Manager Huang Fuliang, Deputy Manager Zhang Zilan, Team Leader Wu Yifan, Section Chief Yin Yamei, Deputy Manager Gu Zhiyu, Section Chief Wang Xinjuan, Section Chief Qu Yahui, Section Chief Zhang Chunping.

6. Issuance of New Restricted Employee Shares:

None.

7. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies:

None.

8. Implementation of Capital Allocation Plans

(1) Project Details:

(A) Total amount of funds required for this project: NT\$2,007,967,000.

(B) Sources of funds for this project:

(a) Issuance of new shares through cash capital increase: 15,000,000 shares of new shares will be issued through cash capital increase, with a par value of NT\$10 per share. The issuance will be at a premium without physical issuance, with an issuance price of NT\$58 per share, raising a total of NT\$870,000,000.

(b) Second unsecured domestic convertible corporate bonds issuance: 10,000 bonds will be issued, with a face value of NT\$100,000 per bond. The total face value of the issuance is NT\$1,000,000,000, with a issuance period of 3 years and a coupon rate of 0%. The bonds will be issued at 113.8% of face value, raising a total of NT\$1,137,967,000 in actual funds.

(C) Project Items and Planned Funds Utilization Schedule

Project Items:	Projected Completion Dates:	Total Funding Needed	Proposed Funding Utilization Schedule				
			2023	2024			
			4Q	1Q	2Q	3Q	4Q
Acquisition of factory building	First quarter of 2024	1,550,000	310,000 (Note)	1,240,000	—	—	—
Purchase of machinery, equipment, and plant facilities	Fourth quarter of 2024	457,967	—	—	15,000	283,595	159,372
Total		2,007,967	310,000	1,240,000	15,000	283,595	159,372

Note: The funds required for the fourth quarter of the fiscal year 2023 are provided by short-term borrowing from CTBC Bank Co., Ltd. by our company, which will be repaid promptly upon completion of fundraising.

(D) Proposed location for new machine equipment installation:

No. 281 and No. 283, Section 2, Zhong'ai Road, Luning Village, Guanyin District, Taoyuan City.

(E) Estimated potential increase in revenue:

Our company mainly engages in the development and production of molds for computer/information/consumer electronics components. In recent years, influenced by the COVID-19 pandemic, the surge in home economy has driven the growth in demand for consumer electronic products in the 3C sector. In addition, our company has successfully expanded into the automotive/industrial equipment/medical fields with stamped electronic components. With increasing customer demands, our current factory space is insufficient. To expand production capacity and enhance efficiency, we plan to purchase domestic factories, stamping equipment, plating lines, and automotive automation production lines. Trial production and mass production are expected to commence in mid-2024. The estimated additional operating income, gross profit, and operating profit for the years 2024 to 2028 and beyond are as follows:

Unit: NT\$ thousands

Fiscal year	Revenue	Gross Profit	Operating Profit
2024	228,705	52,702	45,447
2025	325,444	79,914	71,055
2026	390,682	97,851	88,746
2027	432,860	111,498	102,139
2028 and subsequent years	470,408	121,282	111,662

(2) Implementation:

Unit: NT\$ thousands

Project Plan	Progress of implementation as of March 31, 2026.			Reasons for being ahead or behind schedule and improvements:
Purchase of factory building	Payment amount	Scheduled	1,550,000	The plan has been fully implemented..
		Actual	1,550,000	
	Progress status (%)	Scheduled	100	
		Actual	100.00%	
Purchase of machinery and equipment, and plant facilities	Payment amount	Scheduled	457,967	
		Actual	457,967	
	Progress status (%)	Scheduled	100	
		Actual	100%	
Total	Payment amount	Scheduled	2,007,967	
		Actual	2,007,967	
	Progress status (%)	Scheduled	100	
		Actual	100%	

IV. Overview of Operations

1. Description of Business

(1) Scope of business

(A) Major lines of business

- (a) Manufacturing and trading of molds and stampings.
- (b) Manufacturing and trading of jigs and automated machines.
- (c) Assembly and processing of electrical components and finished products.
- (d) Assembly and processing of mechanical components and finished products.
- (e) Import/export trade and agency of domestic and foreign manufacturers.
- (f) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

(B) Weight of major lines of business

Product	Annual Revenue in 2025 (NT\$1,000)	Weight (%)
Parts	7,076,196	95.03%
Mods	246,799	3.32%
Toolings	47,082	0.63%
Products	75,935	1.02%
Total	7,446,012	100.00%

(C) Current products (services)

Product	Purpose or Function	Final Products
Parts	a. 3C (Computer, Communication, and Consumer Electronics) and AI servers-related foundational components, including high-speed connectors, terminals, mechanical parts, and general metal stamping & plastic injection molding products, such as spring contacts, metal shielding cases, and terminals.	Notebook/desktop computers, smartphones, cameras, printers, TVs, stereos, wireless routers, 5G servers, battery modules for AI servers, various board-to-board and wire harness connectors.
	b. Automotive cooler substrates, RF connector contacts, lamp components, motor housings, and general stamping/injection parts.	Gearbox coolers, GPS/audio systems, small car motors, battery connectors, generator voltage regulators, and LED headlight cooling fins and High-frequency connectors (such as FAKRA / Mini FAKRA), etc.

Product	Purpose or Function	Final Products
	c. Industrial machinery silverpoint stamping riveting, high and low voltage circuit breakers, and switch contacts.	Relays, switch assembly, uninterruptible power system batteries, fuseless switches, and smart water heaters.
	d. Medical peripheral components, including electronic connector mechanical parts, spring contacts, various plastic injection-molded parts, and metal fabricated components.	Electrosurgical units, Surgical staplers, cardiac pacemakers and blood sugar machines.
Molds	Molds for parts.	Same as above.
Jigs	Manual assembly lines or special machining parts.	Same as above "purpose or function" system components.
Products	Other components, accessories, and raw materials purchased and resold.	-

(D) New products (services) planned for development

- (a) Development of mold for smartwatch charging connector.
- (b) Development of mold for stainless steel VCM drawn iron shell
- (c) The development of molds for MINIFAKRA connectors.
- (d) The development of a single project mold for large server battery casings.
- (e) The development of molds for very small POGOPIN spring needles for semiconductors.

(2) Overview of the industry

(A) Current status and development of the industry

The mold industry plays an important role in the development of Taiwan's industry. Although it is not a high-tech industry, the higher the industrialization level, the more obvious the demand for stable mass production of molds. Therefore, the mold industry is also known as the mother of the machinery industry. In recent years, many industries in Taiwan have faced strong competition from mainland China and Southeast Asian countries. The advantages of developing countries, such as labor resources and many other costs, often put domestic manufacturers under great operational pressure. Especially in the mold industry, there are many investments in Japan, South Korea, and Taiwan in the two regions mentioned above, which indirectly promote or cultivate local basic or high-level technical talents. Local governments also list the mold industry as a key support project (tax reduction and exemption, low-interest loans, equipment purchase, and technology purchase) to actively cultivate domestic enterprises. This not only enhances their domestic industrial technology level but also throws out a low-price competition strategy to the global market, especially in mainland China. Some companies can even export their whole factories globally, which has a huge impact on Taiwan's mold industry.

On the contrary, although Japan is the leader in mold technology, leading more than 20 years in overall precision/quality, it still cannot resist the pressure of reality price. In the market competition, it is obvious that they are trying to cut prices and vie for orders. Coupled with the exchange rate fluctuations between the Japanese yen and Taiwan dollar, it is another heavy blow to Taiwan's mold industry.

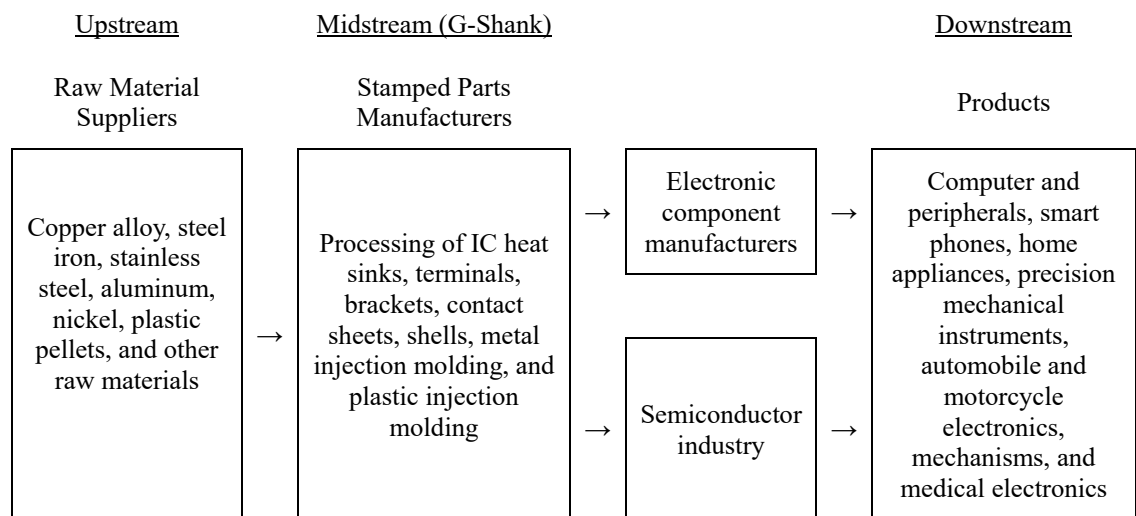
Fortunately, our company laid out our strategy as early as 1989 to cope with this

irreversible environment by deploying the manufacturing sites according to local conditions tailored to customers, thus achieving the greatest efficiency in all 19 global production bases. This has practically contributed a lot to the group's revenue. In addition, the Taiwan headquarters continues to innovate and introduce new processes, vertically integrating upstream and downstream processes in addition to traditional mold stamping, such as machining, electroplating, plastic injection, laser welding, and automatic assembly. Continuously maintain a leading position in technology.

In addition, driven by demand in AI computing, automotive electronics, and industrial automation, the precision metal components market continues to grow. Through a product diversification strategy, the Company has gradually reduced its reliance on any single industry. With a high proportion of exports and a global operational footprint, the Company has strengthened its overall business resilience and enhanced long-term growth momentum.

(B) Links between the upstream, midstream, and downstream segments of the industry supply chain

Raw material suppliers are the upstream supply chain of stamping or injection molds while the downstream segment covers almost all lines of business. The Company's main products include stamping/injection parts of 3C products/precision machinery/automobiles and motorcycles/medical electronics or devices. The following are the links between the upstream, midstream, and downstream segments of the industry supply chain:



(C) Development trends for the Company's products

The global trends in 3C (computers/communications/home appliances) digitization, widespread 5G network, manufacturing automation, and mass production of electric vehicles, which were the previous goals for all industries, are now in progress today. As the electronic information engineering industry prospers, its market size is also expanding; however, required components entail higher precision, smaller sizes, more functions, and cheaper prices. It is important not to stick to one single technology. To meet these changes, companies must adapt themselves so that they can survive in the market.

In addition to the precise and fast punching machines, the development and design of molds affect the accuracy, yield, and production capacity of stampings. The Company meets the above requirements and also combines injection, riveting and other processes.

We integrate processes comprehensively and introduce fully automatic production equipment to provide better services in a more efficiently and with higher quality.

(D) Competition

In terms of capital (NT\$2,180,810 thousand including NT\$3,278 thousand pending capital registration), the Company is currently one of the largest progressive die manufacturers in Taiwan. Due to a large number of manufacturers, there is an array of stampings. Therefore, the approximate market share is unavailable as the competitiveness of each manufacturer depends on its equipment and ability to develop molds. In addition, products and business activities vary from manufacturer to manufacturer. Based on such characteristics of the industry, there is no clear competition.

The Company has four major advantages to tackle the grim environment:

- (a) Headquartered in Taiwan, the Company eyes Mainland China based on customer needs. In addition to nine production centers in Mainland China, we have set up plants in Thailand, Malaysia, Indonesia, Mexico and Philippines to build a comprehensive supply chain.
- (b) The Company has been actively developing European, American and Japanese customers. With technologies matching or even surpassing Japanese counterparts', the headquarters has attracted the world's top ten connector companies such as TYCO, HRS, YAMAICHI, JAE, SMK, HOSIDEN, and DDK. These companies are currently our key accounts. Accounting for more than 70% of export sales, the Company has demonstrated its international competitiveness and effectively reduced the pressure of price competition in the domestic market.
- (c) Different from other companies that focus on one single technology such as shearing, bending, drawing, cold forging, injection, terminal, and metal molding and mold only one or two types of products, the Company strives to develop various technologies and can tool products with any molds.
- (d) The Company uses mold making technology for electronic components and other different fields, including, industrial machinery, automobiles and motorcycles, and healthcare, building an integrated process to meet every need in the market.

At present, other listed companies in the industry are, Mustang Industrial Corp. (5460), Cx Technology Corporation (2415), Chialin Precision Industrial Co., Ltd. (3310), I-Chiun Precision Industry Co., Ltd. (2486), SDI Corporation (2351), Gem Terminal Industry Co., Ltd (2460) and Chia Chang Co. Ltd. (4942). The Company has advanced machinery and equipment such as optical grinding machines, wire cutting machines, and discharging pore equipment, as well as a capacity for designing and developing molds. Over the past 50 years, we have been famous for the development of more than 20,000 molds. Currently, there are many domestic stamping manufacturers of electronics and computer sheet metal parts, but most of them are small in scale. As a result, the Company is a leading player in the industry in terms of scale, machinery and equipment, R&D, and product precision and complexity.

(3) Overview of technologies and research and development work

(A) Listing of research and development expenditures during the most recent fiscal year or in 2026 up to the date of publication of the annual report

Unit: NT\$1,000

Item	Year	2025	1Q, 2026
	R&D expenses		177,389
Net sales revenue		7,446,012	2,167,648
R&D expenses as a percentage of net sales revenue (%)		2.38%	2.19%

(B) Technologies or products successfully developed during the most recent fiscal year

Year	R&D Results	
2024	Successfully developed	Number of new molds: 533
		Development of an integrated production process for high-speed transmission Type-C connectors.
		Development of molds for surgical staplers
		Development of BTB connector terminals for mmWave antenna modules
		Development of 0.4mm pitch probes for semiconductor chip testing
		Development of 2-in-1 vibrating speaker for high-end wireless earphones
		Development and implementation of Smart Warehouse and ERP integration system
2025	Successfully developed	Number of new molds: 696
		AI cable-related circuit board module connector terminals.
		Micro board-to-board connectors for notebook computers.
		Antennas modules for smart wearable devices.
		Charging case for smart wearable devices.
		Relay modules for electric vehicles.
		Manufacturing technology for three-stage deep-drawn brass products.
		Enhancement of end-face coining and compression processes for fully enclosed circular products.
		Precision camera module connectors.
		227 mm stainless steel finished module connectors.
		18-pin signal terminals.
		Semiconductor clip terminals.
		Research and development of products featuring full 90° circumferential forming at the joint of two-stage round tubes.

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

(A) Short-term business development plans

(a) Strengthening marketing and developing renowned customers at home and abroad

Following the Japanese market, we are developing European and American customers. We expect that the scale of European and American markets will be multiple of the Japanese market, laying a stable foundation for global expansion.

(b) Introducing automated production and machine vision inspection to meet customer needs for quality and quantity

In addition to combining CAD/CAM with CNC automation, the Company plans to introduce machine vision inspections and packaging automation to production lines. Customers place much emphasis on quality and quantity. By satisfying their needs, we can ensure the receipt of orders, yielding twice the result with half the effort.

(c) One-stop integrated procurement models are gradually becoming a market trend

According to our business strategy, we are integrating precision molds, surface treatment, and punching into the standard process, which covers almost all components of end products. We expect to bring revolutionary changes to customers' purchasing strategies.

(d) Introducing the ERP system and global logistics management mechanisms

By introducing the ERP system to business operations, the Company aims to integrate business strategies, business models, financial information, and human resources management and generate real-time management reports to improve the efficiency and effect of business management.

(e) Implementing the standardized management system

Currently, we have 19 production centers around the world. We will center our business strategies on group operations, and our project team will build a standardized system for each production center in stages:

Stage 1: Basic management has been implemented at each production center.

Stage 2: Management systems such as operation system planning, procurement, business market, talent development, and competency inventory will be established one after another.

Stage 3: The headquarters introduced Toyota Production System (TPS) in 2018, which has greatly improved production efficiency, quality assurance, and cost reduction. TPS will be introduced to other operations across the globe to save costs and maximize profits.

(B) Long-term business development plans

(a) The Company aims to partner with international companies through group-to-group collaboration, accelerate international division of labor, and build global and regional production and marketing networks, becoming an internationally renowned metal parts manufacturer.

(b) Talent development

The Company plans to promote industry-academia collaboration, where students are able to learn precision molding skills early from hands-on practice, to indirectly cultivate talent required for future development.

- (c) Developing new products and business opportunities through industrial or technological cooperation

In addition to modifying existing production technologies and developing new products in cooperation with the research institutes of government agencies or customers, the Company plans to actively work with the R&D departments of customers on the design and production of next-generation products, hoping to seize new business opportunities with the best process possible.

2. Market Analysis and the Production and Marketing Situation

(1) Market analysis

(A) Geographic areas where the main products (services) are provided (supplied)

To follow the market dynamics closely and provide after-sales service, the Company sells products directly to customers without authorizing agents. The Company's products are mainly electronic components and molds (both accounting for about 98% of the net sales in 2025), which are indispensable parts for electronics. Therefore, our customers include manufacturers of desktop and notebook computers, home appliances, and other information electronics.

To diversify operational risks, we have been developing automotive components and industrial machinery, accounting for 18% and 33% of the overall sales in 2025, respectively. The results of risk diversification have started to roll in.

Sales of Main Products in the Past Two Years by Geographic Area

Unit: NT\$1,000; %

Geographic Area \ Year	2025		2024	
	Amount	%	Amount	%
Taiwan	1,696,359	22.78	1,379,584	20.87
Americas	278,714	3.74	320,757	4.85
Asia (outside Taiwan)	5,185,190	69.64	4,631,565	70.08
Others	285,749	3.84	277,563	4.20
Total	7,446,012	100.00	6,609,469	100.00

(B) Market share

The Company specializes in precision metal stamping. Molds have a wide range of applications, including automobile and motorcycle parts, bicycle parts, motor parts, home appliances, communication parts, computer parts, and daily hardware. At present, our main competitors are Mustang Industrial Corp. (5460), Cx Technology Corporation (2415), Chialin Precision Industrial Co., Ltd. (3310), I-Chiun Precision Industry Co., Ltd. (2486), SDI Corporation (2351), Gem Terminal Industry Co., Ltd (2460) and Chia Chang Co. Ltd. (4942) Stamped products vary from manufacturer to manufacturer, and information on these products is hardly available. Also, the Company produces various types of parts, whose market share lacks accurate data. Therefore, it is impossible to estimate the Company's market share.

(C) Demand and supply conditions for the market in the future and the market's growth potential

The Company mainly engages in the manufacture, processing, and trading of metal stamped parts, which are the basic components of electronics. Since the unit price of metal parts is mostly low, mass production is required to achieve economies of scale. Stamping is a key method for mass production. By using the punching and bending

processes alone or in combination, we make metal billets such as copper and iron into all types of products, including mobile phone SIM cards and memory cards and USB metal housing, contact shrapnel, terminals and other metal sheets. One-way electronic components use a variety of metal stamped parts, and there are many kinds of metal sheets in an electronic product. Due to economic growth, electrification and automation have become a constant trend. The conductive function of metal sheets plays a key role in the overall electronics industry.

Electronic components are widely used in information, communication, consumer electronics and other electronics. As end-user needs recover slowly, it will drive demand for electronic components and metal parts.

In response to the current trend towards the development of electric vehicles, major automobile manufacturers are investing significantly in research and development. Automotive electronics will emerge as the most important industry in the future, with its economic scale undoubtedly keeping pace with digital electronics'. Molding will naturally become an irreplaceable key process, and its prospects are brightening.

With the rapid development of AI computing, high-speed transmission, and automotive electronics applications, demand for precision metal components continues to increase, driving growth in high-precision and high-value-added components.

(D) Competitive niche

(a) Cross-domain process integration

Only by molds can electronics bring mass production into full play. The combination of molds includes metal and plastic. Taking advantage of metal precision molds for 50 years or more, the Company has introduced plastic injection across fields and upgraded the technology to metal-plastic composite molding (insert molding). We also apply laser processing to shell welding in various fields such as 3C, automobile, healthcare, and industrial equipment, creating a niche in the whole process. The Company possesses cross-disciplinary process integration capabilities, combining stamping, injection molding, electroplating, and assembly in an integrated manufacturing process. Through its global production footprint and high export ratio, the Company has established strong capabilities in serving international customers. It maintains overall competitive advantages in quality, delivery time, and cost control, which further enhance its gross margin structure, operational efficiency, and overall profitability.

(b) Well-established training system

In the technology industry, training is a top priority. Equivalent to a formal department, our training center not only provides complete training for new recruits, including corporate culture, technology, and work attitude, but implements periodic refresher training on work attitude and technology for in-service personnel, hoping to pass on the Company's traditions and technologies effectively.

(c) Integrated production and automation

The Company has introduced CAD and CAM for many years to improve mold design and machining efficiency; in addition, our precision progressive molds feature excellent quality, fast speed, and large quantity.

(d) International production and marketing network

The Company has operations in Malaysia, Indonesia, Thailand, Philippines, Japan, Mexico, and Mainland China (including Shanghai, Qingdao, Suzhou, Shenzhen, Dongguan, Xiamen, Tianjin and Wuhan), forming an international production and marketing network. In addition to the geographic advantage of supplying customers in close proximity, the Company has further strengthened its collaboration with

customers, while reducing the impact of economic fluctuations in any single region on its operations and profitability, thereby enhancing overall operational resilience.

In summary, leveraging its integrated manufacturing capabilities and global supply chain deployment, the Company has established solid competitive advantages and market entry barriers. Driven by strong demand in high-growth industries such as AI servers, automotive electronics, and industrial automation, the Company is expected to continue enhancing product value-added and profitability, thereby strengthening its overall growth momentum.

- (E) Positive and negative factors for future development and the Company's response to such factors
- (a) Positive factors
- i. Marketing
- (i) Active development of European and American markets following the Japanese market.
 - (ii) A stable customer base that has been established for over 50 years.
 - (iii) Production centers around the world that supply customers nearby.
 - (iv) Various industrial applications ranging over 3C, automobile, healthcare, and industrial equipment, achieving risk diversification regardless of a single industry boom and off-peak seasons.
- ii. Market
- (i) Years of industry-leading experience in mold design and development.
 - (ii) A professional foundry for mold design and metal parts stamping, specializing in precision progressive die and, after developing plastic injection and laser machining, becoming a professional precision mold supplier in various fields.
 - (iii) Long-term customer relationships and trust, along with a constant increase in new customers.
 - (iv) Various applications in mass production and stable demand in the market.
- iii. Production
- (i) An array of equipment required for production in all fields.
 - (ii) Sufficient supply of main raw materials, including copper, iron, stainless steel, and plastic which are bulk and generally circulated in the market.
 - (iii) Quality assurance, design, and production certified by ISO 9001, ISO14001, IATF 16949 and verified by ISO14064-1.
- (b) Negative factors and the Company's response to such factors
- i. Continuous technology breakthrough is required in response to the rapid replacement of electronics and a short product life cycle.
- Countermeasure: Maintain long-term customer relationships and know customer needs well, develop new products and discuss future developments with customers, and then prepare for mold opening and production.
- ii. Some raw materials rely on imports, making it hard to control compared with domestic procurement.

Countermeasure: Recommend customers domestically produced raw materials based on costs and quality.

iii. Raw material prices continue to rise.

Countermeasure: Conduct collective bargaining for a large quantity of materials, lower prices through pre-orders, and collect information on sources of materials through suppliers and agents.

iv. Labor costs are rising year by year, increasing operating costs.

Countermeasure: Improve productivity through management by objective (MBO) and key performance indicators (KPI).

v. There is a need for manpower due to the rapid growth of business and global expansions.

Countermeasure: Strengthen on-the-job training and attract new recruits in various fields.

(2) Usage and manufacturing processes for main products

(A) Usage for main products

Main products	Usage	
Parts	Precision terminal	I/O connector terminals for mobile phones, connecting various signals inside the phone. Connectors for automotive electronics, connecting the smart systems inside the vehicle.
	Enclosure	Enclosures for various memory card connectors, protecting internal components. Industrial machinery relays, fuseless switches, uninterruptible power supply (UPS)-related products.
	Backlight board	Panels for various smart phones, in-car screens, industrial machinery screens, etc.
	Mechanical part	Components used in projectors, digital cameras, smart phones, and other internal mechanisms.
	Heat sink plate	Copper heat sink boards for cooling LED headlights in cars.
	Insert Molding	Core components for memory cards, waterproof USB transmission connectors, automotive motor and brake systems, non-invasive components for medical use.
Molds	Precision components for computer, consumer electronics, communication electronics, automotive electronics, and medical electronics, including stamping & insert molding molds.	
Tooling	Components for production equipment.	

(B) Manufacturing processes for main products

(a) Parts:

Material → Stamping → Machining → Packaging → Warehousing

Stamped Parts → Plastic → Insert Molding → Packaging → Warehousing

(b) Molds:

Order → Design → Drafting → Manufacturing → Sample Delivery → Customer Acceptance

(C) Jigs: Parts processed according to the customers' drawings.

(3) Supply situation for major raw materials

The main raw materials required for our company's production, including copper, iron, and stainless steel, are all bulk commodities that are relatively easy to obtain. With the cooperation of various metal material suppliers, the quality, quantity, price, and delivery time can be maintained at a certain level. We have never encountered a situation where the supply of materials was insufficient, leading to production interruption.

(4) A list of any suppliers and clients accounting for ten percent or more of the total procurement (sales) amount in either of the most recent two fiscal years, the amounts bought from (sold to) each, and the percentage of total procurement (sales) accounted for by each

(A) Suppliers accounting for more than 10% of the total procurement amount

Major Suppliers in the Past Two Years

Unit: NT\$ thousand

		2024			2025				As of March 31, 2026			
No.	Item	Amount	Percentage of Net Purchase (%)	Relationship with Issuer	Item	Amount	Percentage of Net Purchase (%)	Relationship with Issuer	Item	Amount	Percentage of Net Purchase (%)	Relationship with Issuer
1	Others	2,313,050	100.00	-	Others	2,575,804	100.00	-	Others	830,533	100.00	-
2	Net purchase	2,313,050	100.00	-	Net purchase	2,575,804	100.00	-	Net purchase	830,533	100.00	-

Note: In 2024, 2025, and as of the first quarter of 2026, no supplier accounted for more than 10% of the consolidated net purchases.

(B) Customers accounting for more than 10% of the total sales amount

Major Customers in the Past Two Years

Unit: NT\$ thousand

		2024			2025				As of March 31, 2026			
No.	Item	Amount	Percentage of Net Sales (%)	Relationship with Issuer	Item	Amount	Percentage of Net Sales (%)	Relationship with Issuer	Item	Amount	Percentage of Net Sales (%)	Relationship with Issuer
1	Company A	1,062,532	16.07	None	Company A	1,251,350	16.81	None	Company A	419,758	19.37	None
2	Company B	914,460	13.84	None	Company B	916,745	12.31	None	Company B	240,006	11.07	None
3	Others	4,632,477	70.09	-	Others	5,277,917	70.88	-	Company C	230,586	10.64	None
4	-	-	-	-	-	-	-	-	Others	1,277,298	58.92	-
5	Net sales	6,609,469	100.00	-	Net sales	7,446,012	100.00	-	Net sales	2,167,648	100.00	-

3. The Number of Employees Employed for the Most Recent Two Fiscal Years, and during the Current Fiscal Year Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels (including the Percentage of Employees at Each Level)

Information on Employees in the Past Two Years and as of the Date of Publication of the Annual Report

Year		2024	2025	As of March 31, 2026
Number of employees	Direct	1,590	1,741	1,843
	Indirect	940	969	981
	Total	2,530	2,710	2,824
Average age		39	38	37
Average seniority		9	8.8	8.6
Education	PhD	-	-	-
	Master	1%	1%	1%
	Bachelor	36%	38%	37%
	Senior high	42%	39%	39%
	Under senior high	21%	22%	23%

4. Disbursements for Environmental Protection

- (1) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), an estimate of possible expenses that could be incurred currently and in the future, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.
- (2) In 2025, the Company spent about NT\$4,237 thousand on environmental protection; the Company also planned green procurement as part of its commitment to the world's environmental protection. The Company's green procurement in 2025 totaled NT\$5,746 thousand. Furthermore, we have implemented a plan to reduce waste production by promoting the use of recycled packaging materials and pallets within the factory. The results have been highly effective in reducing waste output.
- (3) The Group has successively installed rooftop solar panels at the head office (Xinwu Plant), Shanghai Plant, Suzhou Plant, and Malaysia Plant, with a total investment of approximately NT\$19,068 thousand.

5. Labor Relations

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

(A) Employee benefit plans

- (a) The Company established the Employee Welfare Committee (EWC) on July 29, 1986, which was approved by the competent authority under Letter (75) Fu-She-Zi No. 097577 (Fu-She-Lao-Zi No. 1421).
- (b) Employee benefits are implemented and supervised by employees and the EWC. The EWC holds meetings on a regular basis to promote labor-management relations and improve the business operations of the Company.
- (c) All employees participate in labor insurance, health insurance, and new labor pension systems and enjoy various benefits in accordance with relevant laws and regulations.
- (d) Other benefits
 - i. Birthday gifts and Chinese New Year gifts.
 - ii. Marriage, funeral, and childbirth subsidies and emergency relief funds.
 - iii. Leisure activities, group activities, and club activities (including Yoga Club, Jogging Club, Golf Club, Basketball Club, Badminton Club, Bowling Club, and Craft Club).
 - iv. D Large-scale events such as annual employee travel and departmental gatherings.
 - v. Dormitory for foreign employees.
 - vi. Lunch meal allowances.
 - vii. Scholarships for employees and their children.
 - viii. Establish a fitness center to provide high-quality facilities for employees to exercise, enhance their energy and immunity.

(B) Continuing education and training

The Company has formulated training principles and policies as the guidelines for providing various training programs, allowing employees to recognize the relevance and importance of the training they receive and thus achieve the goals of training and work.

(a) Training policy and goal

- i. Striving to become the world's leading manufacturer of precision metal components, we maintain the interests of the Company, employees, and society as a whole. To play a critical role in science, civilization and society, we train each employee to be kind, honest, brave, and responsible at work and in life. We believe that only when every employee has these characteristics can we achieve corporate sustainability.
- ii. In line with the educational philosophy of transforming human resources into valuable assets, the Company is committed to providing diverse training programs to cultivate employees into professional and outstanding talents. We continuously optimize the training quality system to strengthen employee competitiveness and achieve the goal of sustainable corporate development. At G-Shank, every employee receives professional and well-planned training to enhance the technical and managerial skills required for their respective roles. These programs aim to unlock employee potential, align individual development with corporate growth, and ultimately improve productivity.

(b) Development of training programs

To achieve corporate sustainability, the Company adopts a top-down training model. Based on this model, training resources are provided for employees in line with the Company's business strategies, allowing training results to be directly reflected in the employees' performances. While employees have better quality, the Company becomes more competitive.



(c) Training systems

To facilitate the implementation of human resources strategies, we have a training system divided into four major categories: orientation, level-based management skills, specialties, and on-job training. We identify the manpower gap based on employees' functions and provide training accordingly.

層級	核心職能	管理職能	專業職能	個人進修	在職訓練
高階主管	善良 誠信 勇敢 負責	精實管理訓練 高階主管訓練	專業技術類	在職進修 派外訓練	工作輪調 師徒制
中階主管			研發設計類		
基層主管		中階主管訓練	品質檢測類		
基層人員		基層主管培訓	經營管理類		
新進人員		安全衛生類			
		資訊技術類			
	通識類課程				
	設計訓練	新進人員養成訓練			
	基礎訓練				

(d) Training status:

Training Status in 2025(Taiwan)

Item \ Training Type	Internal Training	External Training
Number of trainees	1,029 attendances	149 attendances
Training hours	231 hr	661 hr
Training expenses	NT\$364 thousand	NT\$430 thousand

The Company treats every employee as an important asset. As talents are the cornerstone of sustainable development, the Company established the training center in 2004. The training center is responsible for training new recruits and incumbents to design, produce, and assemble molds through professional lecturers and supervisors. Currently, electronic training materials are available on G-Shank e-Academy. The training center also conducts training and assessment for new recruits and employees with insufficient competence. Our training system has been standardized. In addition, in 2023 and 2026, we were awarded the Silver Medal by the Taoyuan, Hsinchu and Miaoli Division of Labor Development Bureau's TTQS Education and Training Evaluation for our efforts in promoting employee training and development.

In 2025, Awarded as an “Outstanding Talent Development Unit” and selected by the Workforce Development Agency, Ministry of Labor, as a featured case study in “Successful Corporate On-the-Job Training Programs.”

In 2024, Awarded as an Outstanding Training Unit under the “College Youth Pre-Employment Program.

We have participated in the Dual Training Flagship Program for consecutive years and won the outstanding company in the Dual Training Flagship Program from the Taoyuan-Hsinchu-Miaoli Regional Branch of Workforce Development Agency.

To strengthen the training results and employees’ competencies, the Company adopted the apprenticeship system from Germany in 2015.



(C) Retirement systems and the status of implementation

- (a) To take care of employees’ retirement, promote labor relations, and improve employees’ productivity, the Company sets aside retirement reserve according to a certain percentage of the total salary in accordance with the Labor Standards Act and the annual actuarial report. The Labor Pension Act, which came into force on July 1, 2005, adopts a defined contribution system. After the implementation of the Labor Pension Act, employees may choose to apply the Labor Standards Act or the Labor Pension Act and retain their seniority before the application of the Labor

Pension Act. For employees who are subject to the Labor Pension Act, the Company should contribute 6% or more of an employee’s monthly salary to his/her pension account.

- (b) The employee retirement regulations are in accordance with the provisions of Article 56 of the Labor Standards Act. We have the Supervisory Committee of Labor Retirement Reserve in place, which has been approved under the Letter (77) Fu-She-Lao-Zi No. 39625.

(D) Status of labor-management agreements and measures for preserving employees' rights and interests

- (a) To facilitate labor relations, promote labor-management cooperation, and improve employees’ productivity and interests, the Company has formulated the “Regulations Governing the Implementation of Labor-management Meetings” and the “Regulations Governing the Election of Labor-management Meeting Representatives” in accordance with Article 83 of the Labor Standards Act and holds labor-management meetings on a regular basis.
- (b) The Company always sticks to independent management and involves all employees in the management of business operations. Department heads and subordinates communicate effectively through regular business meetings and training to maintain employees’ rights and interests. Therefore, we have a harmonious labor-management relationship. The protective measures for the employees' rights and interests are as follows:

i. Workplace and employee safety

As a corporate citizen, the Company attaches great importance to corporate social responsibility. In addition to ISO-14001 certification, we have an environmental policy in place to protect natural resources, reduce pollution, and abide by environmental laws and regulations. We also place much emphasis on employees’ safety in the work environment. The Occupational Safety and Health Committee will meet every quarter to review occupational safety and health within the plant. We also set and implement annual targets and management approaches for workplace and employee safety. The following is a summary of management approaches:

No.	Goal/Target	Measure	Instructions	Results
1	Wear earplugs at the stamping site to protect hearing	Conduct monthly inspections from time to time through the Occupational Safety and Health Committee	A small number of employees do not wear earplugs as required, which can easily lead to hearing damage in the long run.	Punchers have made wearing earplugs a habit.
2	Install punch safety curtain	Install safety curtains for punches without soundproof boxes	Flying parts in the process of punching can easily be potential hazards.	A total of 86 safety curtains have been installed on punches without soundproof boxes.
3	Implement the management of electronic procedures	Introduce digital ISO procedures to reduce paper wastage	Printed ISO procedures waste paper and slow down sign-off.	Electronic sign-off for software purchases is faster and can save paper and toner waste.

No.	Goal/Target	Measure	Instructions	Results
4	Save packaging materials	Recycle and reuse packaging trays	Unrecycled packaging trays can easily lead to waste and environmental pollution.	Recycling trays can save costs and protect natural resources.
5	Replace traditional lamps with T 5 or LED lamps	Replaced traditional lamps with T5 or LED lamps in 2000	Traditional lamps consume more power and are replaced with T5 or LED lamps.	T5 or LED lamps are installed to reduce electricity consumption and CO2 emissions.
6	Replace air compressors with variable frequency air compressors	Replace screw air compressors with variable frequency air compressors	Screw air compressors are less efficient and waste more electricity.	Reduced electricity consumption can cut down on CO2 emissions.
7	Computerize the employee attendance system	Design a computerized employee attendance system with a user-friendly touch interface to reduce paper usage	The original attendance system adopts paperwork, which wastes paper and is not timely.	Paper consumption of the attendance system is reduced with improved timeliness.
8	Computerize the documentation system	Replace hardcopy sign-off with computerized sign-off	Before computerization, hardcopy sign-off is implemented, making it easy to lose and difficult to track the status of approval.	Paper consumption of the documentation system is reduced with improved sign-off efficiency.
9	Introduce the smart factory monitoring system	Install the air-conditioning and air compressor monitoring system to save electricity bills	It is impossible to monitor the usage of air conditioners and air compressors.	The use of air conditioners and air compressors is monitored to avoid waste and save electricity bills.
10	Reduce waste	Implement waste source management and classify waste into five categories	Garbage classification is not implemented.	15% of garbage is reduced.
11	Renewable energy generation	Installation of solar panels on factory rooftops.	The use of conventional electricity is more likely to cause environmental impacts.	An installed capacity of 197.65 kW is expected to generate approximately 209,114 kWh of renewable electricity per year.
12	Avoid foot injuries due to falling workpieces	Provision of safety shoes to employees.	Failure to provide safety shoes may pose occupational safety risks.	Safety shoes are provided to avoid industrial safety incidents.
13	Procurement of air-conditioned cooling vests for logistics and warehouse personnel.	Provision of air-conditioned cooling vests for logistics and warehouse personnel working outdoors.	Company uniforms.	To prevent heat exhaustion among outdoor workers during the hot summer season.

ii. Environmental and occupational safety and health campaigns

a. Restriction of hazardous substances (ROHS)

Coming into effect on July 1, 2006, the RoHS Directive stipulates that products sold to the European Union should not contain six hazardous substances, namely lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls, and polybrominated diphenyl ethers. While

- purchasing several XRF machines for self-inspection, the Company also asks suppliers to submit inspection reports issued by impartial institutions to meet ROHS requirements with a sound inspection system.
- b. In 2024, the Company obtained ISO 45001 certification. All occupational safety and health operations are carried out in accordance with ISO international standards and relevant government regulations.
 - c. Prevention of occupational accidents
The Occupational Safety and Health Committee meets every three months. In addition to conducting occupational safety training for new recruits in accordance with regulations, the Company requires that all employees should receive at least two hours of occupational disaster prevention training every year to increase their awareness of occupational disasters and prevent occupational disasters.
 - d. Free annual health examinations
We treat every employee as an important asset. Every year, the Company engages qualified medical institutions to provide free health examinations for employees. For those working under occupational noise and dust, the Company also examines them to understand their health conditions, based on which employee health management is classified.
 - e. Water quality inspections
Water quality inspections are conducted quarterly by external qualified inspection companies to ensure the safety of drinking water for employees.
 - f. Club activities
In the year 2021, the company constructed an indoor sports stadium for employees, and set up a gym in 2022 to provide employees with good exercise facilities. In order to maintain the physical and mental health of employees, the company encourages employees to establish club activities. In addition to the existing clubs, new clubs such as "Yoga Club," "Running Club," "Golf Club," "Basketball Club," "Badminton Club," "Bowling Club" ,and "Craft Club" have also been established.
 - g. Automatic inspections
When working in different environments, processes, business activities, and operations, employees may get injured due to unsafe operations, equipment, or management. For this reason, the Company has formulated the automatic inspection regulations, including automatic checklists for dangerous machinery or equipment such as lathes, punching machines, and milling machines.
 - h. On-site work environment monitoring
The Company engages qualified environmental monitoring institutions every year to conduct environmental monitoring on noise, dust, and local exhausts. We have passed environmental monitoring every year to ensure workplace safety.
 - i. Surrounding monitoring
The Company engages qualified environmental monitoring institutions every year to conduct environmental monitoring of noise and effluents. We have passed environmental monitoring every year to maintain good relationships with the neighborhood.
 - j. The Company has appointed an on-site occupational physician and nurses to carry out workplace health promotion activities.

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

Adopting people-centric management, the Company's management seeks to prosper with labor. Labor relations have been harmonious. Since 1973, there has been no significant loss caused by labor disputes. Also, the Company has sound management and employee benefits. We can reasonably estimate that the possibility of losses due to labor disputes is extremely low.

6. Cyber and Information Security Management

- (1) Cyber security risk management framework

Information Security Organization: Information Security Auditors, Information Security Managers, Information Security Personnel.

Our company's audit team regularly conducts audits of information security operations. Any issues found during the audit require improvement and will be tracked until the corrective actions are completed.

Dedicated allocation of manpower and resources:

- (A) Security Manager: Responsible for the early warning, monitoring and handling of cybersecurity incidents and ensuring the overall security of the organization.
 - (B) One cybersecurity personnel responsible for planning and executing various cybersecurity operations.
 - (C) The personnel responsible for managing, maintaining, designing and operating important information and communication systems in the company should be appropriately divided and delegated authority and responsibilities.
 - (D) The Chief Information Security Officer of this company shall be responsible for supervising the information security operations of their subordinates, preventing illegal and inappropriate behavior.
 - (E) The configuration of professional human resources will be periodically reviewed and continuously improved.
- (2) Cyber security policies
- Cyber security policies:
- (A) To respond to changing internal and external cybersecurity threats and the risk of operational disruptions to crucial information and communication systems, the effectiveness of cybersecurity management will be periodically reviewed and improved.
 - (B) Establish protection measures to safeguard the confidentiality and integrity of sensitive information and communication systems, to prevent unauthorized access and tampering.
 - (C) Establish robustness of core information and communication systems, develop business continuity plans to ensure continuous operations of company's core businesses.

- (D) Regularly conduct cybersecurity education and training to address evolving cyber threats. Through training courses, internal meetings, email announcements, and other means, promote awareness of cybersecurity to employees using information systems at the company.

Cybersecurity objective:

- (A) The cybersecurity objective is to be aware of cybersecurity incidents, report them within the designated timeframe, and respond and recover promptly.
- (B) Regularly adjust the content of information security maintenance to timely adapt to changes in laws and technologies, in order to mitigate the risk of unauthorized access, use, control, disclosure, destruction, alteration, or other types of infringement towards information or communication systems and ensure their confidentiality, integrity, and availability.
- (C) Personnel's awareness of information security protection is continuously improved, and information security managers and personnel regularly receive professional training on information security.

The approval process for information security policy and objectives includes regularly reviewing the information security policy objectives, signing off by the Information Security Manager to submit to the General Manager for approval, and reporting on the operation of information security to the board of directors by management as necessary.

The promotion of information security policies and objectives involves periodically disseminating information through training sessions, internal meetings, email notifications, and other means to all personnel within the organization.

- (3) Concrete management programs, and investments in resources for cyber security management

Core information and communication system:

- (A) Computer authorization management: personnel accounts, authority management, system operation.
 - (a) Mechanisms for personnel account authorization and permission management, including review and approval processes.
 - (b) Personnel account privileges periodic inventory.
 - (c) Periodic update mechanism for personnel computer login passwords during inventory.
- (B) Access Control: Measures for the security of personnel access to internal and external systems and data transmission channels.
 - (a) (Internal/external) access control.
 - (b) USB access control.
 - (c) Confidential Data Management.
 - (d) Tracking of Operational Behavior Trails Record.
- (C) External Threats: Potential weaknesses in internal systems, antivirus and anti-hacking measures, and endpoint security protection.
 - (a) Host computer vulnerability detection and update measures.
 - (b) Anti-virus, anti-hacking, spam and malware detection.
 - (c) Endpoint Security Management System.

- (d) Management system for controlling and reviewing external email communication permissions of personnel.
 - (e) Management system for controlling and reviewing personnel's internet access permissions.
- (D) Continuation of business operations: System continuity of operation and measures for handling service disruptions.
- (a) System/network status monitoring and notification mechanism.
 - (b) Contingency measures for service interruption.
 - (c) Backup data and system redundancy mechanism.
 - (d) Periodic disaster recovery drills.
- (4) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken : There is no such situation.

7. Important Contracts

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year: None.

V. Review and Analysis of Financial Position and Performance, and Risk Disclosures

1. Financial Position

Unit: NT\$1,000

Item	Fical year	2025 Amount	2024 Amount	Difference	
				Amount	%
Current assets		\$8,925,111	\$8,367,513	\$557,598	6.66%
Investments accounted for using equity method		201,783	177,776	24,007	13.50%
Property, plant and equipment		3,186,439	3,037,858	148,581	4.89%
Intangible assets		3,020	1,504	1,516	100.80%
Other assets		818,458	756,289	62,169	8.22%
Total assets		13,134,811	12,340,940	793,871	6.43%
Current liabilities		2,387,447	2,024,574	362,873	17.92%
Non-current liabilities		1,183,345	1,420,040	(236,695)	-16.67%
Total liabilities		3,570,792	3,444,614	126,178	3.66%
Share capital		2,177,532	2,100,960	76,572	3.64%
Capital reserve		1,253,983	1,422,430	(168,447)	-11.84%
Retained earnings		5,282,352	4,550,759	731,593	16.08%
Exchange differences on translating foreign operations		(173,734)	(205,552)	31,818	15.48%
Unrealized gains/losses on financial assets at fair value through other comprehensive income		341,102	425,283	(84,181)	-19.79%
Non-controlling interests		682,784	602,446	80,338	13.34%
Total shareholders' equity		9,564,019	8,896,326	667,693	7.51%
The main reasons for and impact analysis of items with year-on-year changes of over 20% and an amount of NT\$10 million or more are as follows:					
There are no items in the current year with changes exceeding 20% compared with the same period of the previous year; therefore, no analysis is required.					

2. Financial Performance

Unit: NT\$1,000

Item	Fiscal year	2025 Amount	2024 Amount	Change Amount	Change Percentage (%)
Operating revenue		\$ 7,446,012	\$ 6,609,469	\$836,543	12.66%
Operating costs		(5,165,041)	4,459,380	705,661	15.82%
Gross profit		2,280,971	2,150,089	130,882	6.09%
Operating expenses		(1,029,582)	979,309	50,273	5.13%
Other gains and losses		383	383	-	0%
Operating income (loss)		1,251,772	1,171,163	80,609	6.88%
Non-operating income and expenses		190,271	490,122	(299,851)	-61.18%
Income before tax		1,442,043	1,661,285	(219,242)	-13.20%
Income tax expense		(389,353)	458,367	(69,014)	-15.06%
Net income		1,052,690	1,202,918	(150,228)	-12.49%
Other comprehensive income (after tax)		(28,579)	373,556	(402,135)	-107.65%
Total comprehensive income		1,024,111	1,576,474	(552,363)	-35.04%
Net income attributable to owners of the parent		928,608	1,064,324	(135,716)	-12.75%
Net income attributable to non-controlling interests		124,082	138,594	(14,512)	-10.47%
Total comprehensive income attributable to owners of the parent		891,677	1,409,699	(518,022)	-36.75%
Total comprehensive income attributable to non-controlling interests		132,434	166,775	(34,341)	-20.59%

1. The main reason for and effect of a change that reaches 20% or exceeds NT\$10 million:
 - (1) Non-operating income and expenses decreased: due to losses arising from the valuation of financial assets measured at fair value through profit or loss, as well as foreign exchange losses resulting from the appreciation of Asian currencies against the U.S. dollar on related foreign currency positions.
 - (2) Other comprehensive income (after tax) decreased: due to valuation losses on equity instruments measured at fair value through other comprehensive income, as well as a decrease in foreign currency translation adjustments resulting from the appreciation of the New Taiwan dollar.
 - (3) Total comprehensive income for the current period decreased, including the amounts attributable to owners of the parent company and non-controlling interests: The decrease was mainly due to increased non-operating income and expenses, driven by valuation losses on financial assets measured at fair value through profit or loss and higher foreign exchange losses. It was also affected by the recognition of valuation losses on equity instruments measured at fair value through other comprehensive income, as well as the impact of foreign operation financial statement translation differences resulting from the appreciation of the New Taiwan dollar.
2. Forecasting sales volume and the basis, the effect upon the Company's financial operations, and measures to be taken in response:
The Company is not required to provide a sales volume forecast for 2026.

3. Cash Flows

(1) Cash flow changes during the most recent fiscal year

Item \ Year	2025	2024	Change (%)
Cash flow ratio (%)	31.70	27.67	14.56%
Cash flow adequacy ratio (%)	62.38	62.61	-0.37%
Cash reinvestment ratio (%)	(0.18)	(1.55)	88.39%
Analysis of change percentage:			
<p>(1) Increase in cash flow ratio and cash reinvestment ratio: Mainly due to higher operating profitability during the current year, which led to increased cash inflows.</p> <p>(2) Decrease in cash flow adequacy ratio: mainly due to higher capital expenditures in the same period last year from the purchase of the Guanyin plant and equipment, while there were no significant large-scale investments in the current year.</p>			

(3) Corrective measures to be taken in response to illiquidity and liquidity analysis for the coming year

Unit: NT\$1,000

Cash Balance, Beginning of Year (1)	Estimated Cash Flows from Operating Activities in the Year (2)	Estimated Cash Flow Used in the Year (3)	Estimated Remaining (Insufficient) Cash (1) + (2) - (3)	Corrective Measures for Illiquidity	
				Investing Plans	Financing Plans
\$3,337,561	\$2,023,727	\$1,388,348	\$3,972,940	-	-
<p>1. Analysis of cash flow changes</p> <p>(1) Operating activities: Net cash flows generated from operating activities as a result of stable profits.</p> <p>(2) Investing activities: Net cash flows used in investing activities as a result of the construction of plants and the purchase of equipment.</p> <p>(3) Financing activities: Net cash flows used in financing activities as a result of the distribution of cash dividends. In summary, the Company expects to have a cash balance of NT\$3,972,940 thousand.</p> <p>2. Corrective measures to be taken in response to illiquidity and liquidity analysis: Not applicable.</p>					

4. Impact of Major Capital Expenditures on Financial Operations in the Most Recent Fiscal Year

1. Utilization of major capital expenditures and sources of funds

Unit: NT\$1,000

Project	Actual or Expected Source of Funds	Actual or Expected Date of Completion	Total Funds Required	Actual or Expected Utilization of Funds	
				2025	2026~2030
Purchase of equipment	Private capital	2025-2030	\$443,933	\$249,783	\$194,150
Land & Construction of plants	Private capital	2025-2030	621,338	81,382	539,956

2. Expected benefits

From 2026 to 2030, increased capital expenditures for plant construction and equipment purchases will enhance production capacity and operational efficiency, thereby gradually generating related economic benefits.

5. Reinvestment Policy in the Most Recent Fiscal Year, Key Reasons for the Profits/Losses, Plan for Improving Profitability, and Investment Plans for the Coming Year

Reinvestment	Carrying amount (Thousand)	Policy	Main Reasons for the Profits/Losses Generated	Improvement Plan	Investment Plan for the Coming Year
SUNFLEX TECH CO., LTD.	\$201,783	Through diversified cross-industry investments, the Company aims to balance growth and risk, enhance performance, reduce volatility, create maximum shareholder value, and promote stable and sustainable corporate development.	Net income for the year 2025 NT\$42,243 thousand, mainly due to a decrease in revenue, and foreign exchange losses on related foreign currency positions resulting from the appreciation of Asian currencies against the U.S. dollar.	None	None

6. Analysis and Assessment of Risks for the Most Recent Fiscal Year and the Current Year Up to the Date of the Annual Report Publication

- (1) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

(A) Interest rate:

Unit: NT\$1,000

Item	2024	2025	As of March 31, 2026
Financial income (expenses)	\$209,346	\$192,592	\$40,476
Operating revenue	6,609,469	7,446,012	2,167,648
Financial income (expenses) as a percentage of operating revenue	3.17%	2.59%	1.87%

The Company's interest rate risk arose from its liabilities and financial investments, which were mainly affected by interest rate fluctuations in Taiwan and Mainland China. Changes in interest rates would affect interest income generated from cash and cash equivalents and financial asset investments and interest expenses generated from liabilities. The Company's financial income (expenses) accounted for 3.17%, 2.59%, and 1.87% of operating revenue in 2024, 2025, and the first quarter of 2026 respectively, which had little impact on profit or loss.

(B) Exchange rate:

Unit: NT\$1,000

Item	2024	2025	As of March 31, 2026
Exchange gains (losses)	\$68,941	\$(44,884)	\$(21,461)
Operating revenue	6,609,469	7,446,012	2,167,648
Exchange gains (losses) as a percentage of operating revenue	1.04%	(0.60)%	(0.99)%

The Group conducts an overall assessment and analysis of exchange rate risk. When recognized assets and liabilities and future business transactions are exposed to significant foreign exchange risk, the Group manages such risk within the scope permitted by its policies by using foreign exchange swap contracts and other hedging instruments. For the aforementioned foreign exchange swap contracts held, gains or losses arising from exchange rate fluctuations are generally offset by those of the hedged items; therefore, there is no material market risk. However, for the net positions of foreign currency receivables and payables that are not effectively hedged, they remain exposed to market risk from foreign exchange fluctuations. The main exposure relates to the appreciation or depreciation of the U.S. dollar, Japanese yen, or Chinese yuan, which may result in foreign exchange gains or losses.; in addition, the Company's investments in foreign operations were strategic, so no hedging was carried out.

The Company's operations are located in Taiwan, Mainland China, and other foreign countries such as Malaysia, Mexico, Thailand, Indonesia, and Philippines with each region respectively accounting for 35.5%, 54.1%, and 10.4% of the Company's revenue. Business dealings in Mainland China and other foreign countries were mainly conducted in RMB and US dollars. Foreign sales accounted for about 37.79% of total sales in

Taiwan, and quotations were mostly denominated in US dollars. Raw materials used in production were mostly denominated in RMB and US dollars. therefore, exchange rate fluctuations have a significant impact on the Group's profit or loss.

To reduce foreign exchange risk, the Group has adopted the following specific measures:

- (a) Flexible foreign exchange settlement management: based on funding requirements and exchange rate trends, the Group flexibly adjusts the timing of foreign currency settlement and the holding of foreign currency positions in foreign currency accounts.
 - (b) Derivative hedging instruments: engaging in financial transactions for hedging purposes to mitigate the risk arising from exchange rate fluctuations.
 - (c) Natural hedging mechanism: achieving an automatic hedging effect by offsetting receipts and payments denominated in the same currency.
 - (d) Adjustment of payment currency: negotiating with suppliers to settle payments in foreign currencies in order to reduce currency conversion risk.
 - (e) Dynamic information monitoring: closely monitoring market information and maintaining professional consultation with banks in order to accurately track exchange rate trends and adjust foreign currency positions in a timely manner..
- (C) Inflation: Fluctuations in market expectations regarding inflation and deflation often have a significant impact on the global economy, thereby disrupting investment decisions and reducing market efficiency. To address macroeconomic uncertainties, the Group is committed to strengthening and refining cost management, closely monitoring the supply, demand, and price trends of raw materials, and effectively controlling operating costs through flexible pricing adjustments and enhanced inventory management. At the same time, the Group maintains close collaboration with suppliers and customers to mitigate the impact of inflation or deflation on the Group's profit or loss.
- (2) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future
- (A) The Company did not engage in high-risk investments, highly leveraged investments, and endorsements/guarantees in the most recent year.
 - (B) he Company loaned to other parties in accordance with the "Procedures for Lending Funds to Others."
 - (C) Accounts receivable arising from sales of goods denominated in foreign currencies and accounts payable arising from purchases of goods were subject to exchange rate risk. In view of this, the Company planned to timely avoid and regularly assess the risk of exchange rate fluctuations through derivatives trading such as forward exchange contracts.
 - (D) Some of the Company's time deposits and bond investments without active market were financial assets bearing fixed interest rates, so interest rate fluctuations would change their fair values; however, the Company was not exposed to material risk in fair value arising from changes in market interest rates.
- (3) Research and development work to be carried out in the future, and further expenditures expected for research and development work
- (A) Research and development work to be carried out in the future

The Group aims to achieve a revenue structure in which the 3C, automotive, and industrial equipment application sectors each contribute approximately one-third of total revenue, thereby continuously diversifying industry risks and enhancing operational stability. As the mold industry continues to evolve amid technological advancements, only through strategic diversification and dispersion of market risks can the Group achieve continuous improvement, sustainable growth, and long-term business sustainability.

The following are future R&D projects in the next 1 to 2 years:

(a) Large Stamped Parts

At present, large stamped parts are mostly produced by single-engineering die and manual feeding, which has high personnel costs and is less efficient. The Company's specialized progressive die works with a single-engineering die and a robotic arm for automatic feeding to maximize the economic benefits of a progressive die and the function of large punching parts based on customer needs.

(b) Insert Molding Multi-Cavity Mold Development

The "insert molding" process involves embedding metal terminals into molds and performing plastic injection molding. A 48-cavity-per-shot model has been developed, with 2025 production orders still in full swing, indicating a high level of customer loyalty. On the production line, a servo feeding mechanism combined with a servo robotic arm enables fully automated production with a positioning accuracy of up to 0.001mm. Additionally, Moldex3D mold flow analysis software is used to perform in-depth quality optimization and improvement, further enhancing product quality and strengthening customer recognition of the company.

(c) Introduction of AOI Equipment for Mold Peripheral and TPS Management

To reduce defect rates and achieve the goal of stable high-quality production, comprehensive quality inspection equipment has been installed around the machinery. This includes front-end "incoming material AOI inspection," in-mold "mold monitoring systems," and back-end "finished product CCD inspection." Through the implementation of AOI systems across the pre-production, in-process, and post-production stages, abnormalities can be detected in real time, enabling the production line to automatically stop or remove defective products immediately. This allows the production line to uphold the core quality principles of "not accepting defects, not producing defects, and not passing on defects," while further advancing toward an automated management standard featuring "human-machine separation."

(d) Implementation of TPS Lean Management and IOT Internet of Things Monitoring

In the past, multiple processes were dispersed across different workstations. During batch production, space was required to store semi-finished goods, resulting in inefficient use of space. After batch completion, transportation between processes also created additional handling waste. Batch production further led to excessively long lead times (L/T), which reduced overall efficiency. By implementing "near-line" workstation integration and optimized workflow planning, a single continuous production line has been established. Multiple processes are now connected in sequence within the same workstation, enabling multi-process production in a streamlined flow. This significantly reduces both space waste and transportation waste, shortens lead time (L/T), and enhances the Group's competitiveness in order acceptance..

- (e) Electrosurgical electrode "tube" holders for medical surgery & transmission connector terminals

The Company's existing customer, Company N, is committed to the production of medical devices, especially electrosurgical electrode, which accounts for about 25% of the global market share. Company N has also been developing different kinds of medical products such as smoke exhaust pipes for electrosurgical electrode and minimally invasive surgery instruments. The Company is currently working with customers in the healthcare industry to develop various products such as blood glucose monitors, blood pressure machines, and endoscope lenses, becoming their No. 1 key component supplier.

- (B) Further expenditures expected for research and development work
Research and development expenses in 2026 are expected increase by 8.1% from 2025, accounting for 2~3% of the Company's consolidated revenue.

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

At the Company, day-to-day business activities were conducted in accordance with domestic and foreign laws and regulations. The Company paid close attention to domestic and foreign policies and amendments and collected relevant information for the management's decision-making. Business strategies were also adjusted in a timely manner based on experts' opinions. As of today, the Company's financial operations were not affected by important policies adopted and changes in the legal environment at home and abroad.

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

The Company paid close attention to the technological development of the electronics industry, implemented the cyber security management policy, and regularly conducted cyber security inspections in response to market trends. In the most recent year and up to the date of publication of the annual report, the Company's financial operations were not significantly affected by major technological changes and cyber security incidents.

- (6) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response

In 2025 and up to the date of publication of the annual report, there was no crisis arising from the change in the Company's corporate image.

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

In 2025 and up to the date of publication of the annual report, the Company did not engage in any merger and acquisitions.

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

It is expected that from fiscal years 2026 to 2030, increased capital expenditures for plant construction and equipment purchases will enhance production capacity and operational efficiency, thereby gradually generating the following related economic benefits:

- (A) Capacity expansion: to meet growing customer demand and increase market share.

- (B) Optimized allocation: through plant expansion or construction of new facilities, the production layout will be further aligned with optimal cost efficiency.

(C) Technological optimization: by introducing automated equipment or new technology-based production lines, product quality and operational efficiency can be improved.

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

The sources of purchases and sales involved different industrial characteristics and stages of operations. By analyzing the sources of purchases and sales, development goals, and industry trends, the Company continued diversifying the sources of purchases and sales to maintain balanced and robust operating results.

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

In the most recent fiscal year and up to the date of this prospectus, there have been no significant transfers of shareholdings by directors, supervisors, or major shareholders holding more than ten percent of the Company's shares.

- (11) Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

In the most recent year and up to the date of publication of the annual report, the Company's operations were not affected by any change in governance personnel or top management. Also, the Company had a sound internal control system and regulations in place, which could minimize the impact and risk on the operations of any change in governance personnel or top management.

- (12) Litigious and non-litigious matters (list major litigious, non-litigious or administrative disputes that: (1) involve the Company and/or any director, any supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than ten percent, and/or any company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report):
None.

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

7 Other Important Matters

None.

VI. Special Items to Be Included

1. Information on Affiliates: Consolidated Business Report, Consolidated Financial Statements, and Affiliation Report for the Most Recent Fiscal Year

(1) Consolidated business report of affiliates

(A) Organizational chart of affiliates

The consolidated business report of the Company's affiliates has been announced on the Market Observation Post System (MOPS)

Link : https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=2476&year=&mtype=K&isnew=true

(2) Consolidated financial statements of affiliates

Companies that should be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as companies that should be included in the consolidated financial statements of the Company and its subsidiaries under IFRS 10 Consolidated Financial Statements endorsed and published by the Financial Supervisory Commission; in addition, information that should be disclosed in the consolidated financial statements of affiliates has been disclosed in the aforementioned consolidated financial statements of the Company and its subsidiaries. Therefore, the Company did not prepare the consolidated financial statements of affiliates separately.

(3) Affiliation report: Not applicable.

2. Private Placement of Securities during the Most Recent Fiscal Year or during the Current Fiscal Year Up to the Date of Publication of the Annual Report private placement of securities

None.

3. Other Matters that Require Additional Description

None.

VII. Any of the Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities during the Most Recent Fiscal Year or during the Current Fiscal Year Up to the Date of Publication of the Annual Report

None.

G-SHANK ENTERPRISE CO., LTD.

Chairman: Lin, Yu-Huang