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Tegrity and Honesty, Innovation and Advancement

2025 Annual Report

Website for this Annual Report:

Market Observation Post System <https://mopsov.twse.com.tw>

Company Website <https://www.hong-tai.com.tw>

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- I. Company Spokesperson: Mr. Pan Shao-Ping
Title: Chief Operating Officer
Contact Number: (02)2701-1000
Email: paulpan@hong-tai.com.tw
Acting Spokesperson: Mr. Chen Liang-Hua
Title: Chief Executive Officer
Contact Number: (02)2701-1000
Email: law.chen@hong-tai.com.tw
- II. Address and Telephone
Address in Taipei: 20F, No. 65, Dunhua South Road Section 2, Da'an District, Taipei City
Telephone: (02)2701-1000
Address in Kaohsiung: 12F-6, No. 206, Guanghua First Road, Lingya District, Kaohsiung City
Telephone: (07)227-1552
Address in Taichung: No. 500, Siwei East Road, Qingshui District, Taichung City
Telephone: (04)2656-6571
Address in Jiali: No.615, Wenhua W. Rd., Jiali Dist., Tainan City
Telephone: (06)722-7999
Company and Guanyin Plant: No. 2, GuoJian 1St Road, Guanyin District, Taoyuan City
Telephone: (03)483-7266
Dayuan Plant: No. 248, Zhongshan North Road, Dayuan District, Taoyuan City
Telephone: (03)384-2070
- III. Stock Transfer Agency
Name: Registrar of Grand Fortune Securities Co., Ltd.
Address: 6F, No. 6, Zhongxiao West Road Section 1, Zhongzheng District, Taipei City
Telephone: (02)2371-1658 Representative
Website: <https://www.gfortune.com.tw>
- IV. Certified Public Accountant for the Financial Statements for the most recent year
Name: CPAs Henry Liu and Hungbin Yang
Name of Firm: Ernst & Young
Address: 9F, No. 333, Jilong Road Section 1, Xinyi District, Taipei City
Telephone: (02)2757-8888
Website: https://www.ey.com/tw/zh_tw/home
- V. Name of trading location for listing and trading of securities overseas: None
- VI. Company website: www.hong-tai.com.tw

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A. Letter to Shareholders

I. 2025 Operating Results:

(I) Accomplishments in Implementing the Business Plan:

Dear Shareholders,

We would like to express our sincere appreciation to all shareholders for your long-term support and encouragement. With the dedicated efforts of all employees, the Company recorded consolidated net operating revenue of NT\$7.55 billion and consolidated net income after tax of NT\$874 million for the year. Compared with the previous year, consolidated net operating revenue increased by 14.7%. Earnings per share reached NT\$2.77, representing an increase of 16.1% year-over-year.

Looking back at 2025, international equity markets experienced a global stock market crash in April due to the U.S.'s announcement of reciprocal tariffs. However, in the second half of the year, as trade negotiations progressed and adjustments to US tariff policies, market uncertainty gradually subsided. The deepening of AI applications drove various sectors, while precious metals surged due to both safe-haven demand and industrial usage, contributing to a generally positive global economic outlook. Domestically, private consumption showed a trend of “weak in the first half and stronger in the second half,” reflecting a gradual recovery in domestic demand. Consumer confidence remained subdued during the first three quarters due to U.S. tariff policies and financial market fluctuations, but rebounded in the fourth quarter, supported by government policies and festive spending. On the investment side, despite the impact of reciprocal tariffs and the appreciation of the New Taiwan dollar, the diversified capital flows and rapid market rotation led to a record high for the Taiwan stock market. On the export front, affected by the global supply chain restructuring and “de-sinicization” trends, apart from the AI spillover effect of the semiconductor-related supply chain, traditional industries continue to be affected by overcapacity and price competition, resulting in a continued sluggish export performance.

Looking ahead to 2026, the outbreak of the US–Israel War on Iran, geopolitical uncertainties, climate change, high debt pressures, and the passing on of tariff costs have dampened global growth momentum. The global economy is undergoing a transitional phase with multiple intertwined risks. Nevertheless, thanks to interest rate cuts in major countries and expansionary fiscal policies, along with the continued advancement of AI driving industrial upgrading and efficiency transformation, the global economy is expected to remain resilient despite downward pressures. While Taiwan's economy continues to benefit from exports and investment driven by the semiconductor and technology sectors, its high degree of industrial concentration and economic divergence will affect the potential resilience of the economy and labor market. In addition, given the high base effect in 2025, the growth momentum is expected to moderate.

In the power and energy-related sector, public infrastructure budgets will increase in 2026, primarily driven by the government’s promotion of energy transition, green energy policies, and grid resilience initiatives, as well as private AI data centers and increased capital expenditures of major technology companies. However, the construction industry faces labor shortages and weakening demand, coupled with the impact of green building and carbon fee policies, posing ongoing challenges. Overall, in 2026, while demand in the domestic wire/cable market is expected to remain stable, uncertainties persist.

Since its establishment, the Company has adhered to its core business philosophy of “integrity and honesty, innovation and advancement.” By continuously optimizing its business model and enhancing product quality, the Company aims to strengthen its long-term competitive advantages and corporate value, while implementing sustainable development. Through the integration of corporate social responsibility and business strategy, the Company strives to build sustainable competitiveness. In the coming year, the management team will continue to strengthen the Company’s core wire/cable business, driven by innovation and grounded in quality, to launch more high value-added products. We will also actively invest in key technologies to support steady growth in revenue and profit, with the goal of becoming a company with growth potential and market leadership. Together with all colleagues, we will continue to create greater long-term value for our shareholders and partners. Thank you.

(II) Budget Implementation: (Showing only the parent company)

Unit: NTD thousand

Item	Budget	Actual	Completion Rate
Operating income	7,492,968	7,550,460	100.77%
Operating cost	(6,376,491)	(6,423,287)	100.73%
Operating gross profit	1,116,477	1,127,173	100.96%
Operating expense	(258,088)	(236,793)	91.75%
Operating profit	858,389	890,380	103.73%
Non-operating income and expenditure	138,586	164,621	118.79%
Pre-tax income	996,975	1,055,001	105.82%

The internal budget of 2025 has not been reviewed by the CPAs.

(III) Financial income/expenditure and profitability:

1. Consolidated:

Unit: NTD thousand

Item	2025	2024	Change volume	Change ratio
Net operating income	7,550,460	6,583,904	966,556	14.68%
Net profit (loss) before tax	1,054,135	944,903	109,232	11.56%
Profit rate	13.96%	14.35%	(0.39)%	(2.72)%

2. Individual:

Unit: NTD thousand

Item	2025	2024	Change volume	Change ratio
Net operating income	7,550,460	6,579,634	970,826	14.76%
Net profit (loss) before tax	1,055,001	943,545	111,456	11.81%
Profit rate	13.97%	14.34%	(0.37)%	(2.58)%

(IV) R&D Overview:

1. UL Wire:

UL 3932 electronic wire is a stringent certified cable designed specifically for connecting Battery Energy Storage System (BESS) modules and combiner boxes, featuring high voltage resistance, flame retardancy, and safety. With the global energy transition and the explosive growth of the lithium battery energy storage market, it has become a key fundamental component. UL 3932 applications cover energy storage systems, electric vehicles, charging infrastructure, and related industrial equipment. It is an indispensable wire in the upgrading of the green energy industry structure, possessing market development potential and representing a worthy value-added product for development.

2. Ultra-heat resistant aluminum steel-reinforced conductor:

With economic developments, the demand for electricity in our country is increasing each day. Due to rising public opinions, however, it is difficult to increase the power supply capacity by building new overhead power transmission lines now. As such, power transmission lines need to be ultra-heat resistant aluminum steel-reinforced conductors. They are an effective solution to increasing the power transmission current without adding power transmission lines and help effectively address the issue of power transmission lines for offshore green power to be connected to the grid and at the power transmission bottleneck. Taiwan Power Company (TaiPower) has also included the first, second, and third ultra high voltage power transmission line update plans as part of its resilient grid project.

3. Waste reduction, recycling and reuse of materials:

The development of a green supply chain is a major challenge for enterprises. The reuse of waste reduction and recycling materials is to effectively classify and manage source waste, use recycled material remanufacturing technology, and recycle and reuse materials to achieve the purposes of reducing material consumption and waste, and minimize the environmental impacts caused by the product and service processes.

4. With cost-saving and quality enhancement as the guiding directive, other sources of supply are being proactively developed to bring down the risk and to advance operational performance.

II. Overview of 2026 Business Plan:

(I) Management Policy:

1. Precisely standardize the production process for improved yield rate, reinforced competitiveness, and to make a difference for customers because customer is king and create business opportunities.
2. Keep track of inventories of raw materials and supplies and seasonal products; lock in the prices of copper as needed for purchase orders in order to render optimal profits.
3. The government's energy policy is to build a nuclear-free homeland, with the goal of achieving a 50% share of gas and 20% of renewable energy by 2025. However, the goal of 20% of green electricity has been postponed, it is estimated that the proportion of renewable

energy will not be achieved until October 2026. To expand renewable energy infrastructure, the Ministry of Economic Affairs has set a target of 30% renewable energy generation by 2030. It is actively developing mature photovoltaic and wind power technologies, and deploying various forward-looking energy sources, accelerating the development of geothermal, small hydropower, biomass, ocean energy, and hydrogen energy technologies. In addition to the thermal power plant renewal plan, the demand for green energy-specific cables such as solar energy storage and offshore wind power continues to increase, and the development and certification of 230kV land cables for the offshore wind power to be combined in the grid are planned.

4. The government's promotion of Energy Transformation 2.0 will cover aspects such as diversified green energy, deep energy conservation, strengthening technological energy storage, and resilient power grids. The policy focuses on diversified green energy (wind power, solar power, geothermal energy, hydrogen energy, and ocean energy) and moves into the Third Phase of offshore wind power zonal development, emphasizing the CPPA (Corporate Power Purchase Agreement) model and independent technology. According to the program, we will accelerate the development of emerging energy sources such as geothermal energy, hydrogenic energy, biomass energy and ocean energy, and explore related energy business opportunities.
5. Response to the TaiPower project to enhance the resilience of the power grid in order to comprehensively improve the ability to cope with sudden accidents that occur to the domestic power grid and to get ready for the net zero transformation goal by 2050. Power generated by power plants, in particular, is supplied directly to the Park; therefore, the demand for 345kV cables is high. We are proactively developing and obtaining qualifications for 345kV cables.
6. Proactively devote to the R&D and patent application of new products to realize sustainable corporate management.
7. Reinforce service for the plan to add units in thermal power plants after nuclear power plants are decommissioned while exploring opportunities to work with off-shore wind power and solar power plants and developers in undertaking public and private projects.
8. Support respective urban areas in their demand for development of MRT and railway systems.
9. Consolidate demand-oriented production and strictly control the procurements of raw materials and supplies to reduce inventories, improve the product sales turnover rate, minimize invalid inventories, and reinforce services available for customers so that the needs of customers may be addressed.
10. Proactively fight for various public and private constructions and prioritize traffic, aviation, railway, and highway cases.
11. Expand the deployment of gopher and termite resistant cables to boost advantages in the industry and augment the market share.
12. Proactively get involved in the government's green energy policy and secure related

engineering projects.

13. Continue to sell annual distribution network contracts, extend corporate advantages, and augment the market size.
14. Respond to the domestic resilient power grid project, strengthen the future development of the wire/cable business, transfer the land and buildings of the copper clad laminate business to the wire/cable business.
15. Focus on the industry, gain insight into changes in the industrial structure, and continue to improve and innovate in order to expand performance and profits.
16. Carefully assess new business targets or products with a view to maximizing investment benefits, thus achieving new business development.

(II) 2026 Sales and Rationales:

Main product	Sales volume (Annual budget)	Rationale
Power cable	18,718 tons	The quantity is assigned according to the ratio of the product to be sold based on the annual plan.
Bare copper wire	272 tons	
Communication cable	100 tons	Forecasted with the sales of each product over the past few years.
Total	19,090 tons	

(III) Important Production and Sales Policies:

1. Proactively take part in offshore wind power generation plans and form strategic alliance with system developers, E&M service providers, and engineering companies to secure business opportunities for marine and land cables required for offshore wind power generation.
2. Effectively arrange production lead time in order to address the demand for ultra-high voltage transmission lines of the additional booster stations and feeder stations of TaiPower.
3. Balance between the south and the north in promoting the brand to maximize the customer base and reach out the general public.
4. Proactive take part in various activities held by clients and for technicians and interact with them and provide planning, design, regulations, and budget for reference.
5. Enhance the product turnover rate to fulfill the low inventory goal and bring about optimal interests reflective of customers' needs.
6. Continue to reinforce, expand, and secure solar power photovoltaic, thermal, and water power plant projects.
7. Proactively secure projects from well-known domestic and international electronic technology plants with new constructions to increase profits from high, medium, and low-voltage cables.
8. Strengthen the sales of green and Ecogreen cables to create value for our products and develop project-based customers.
9. The government is promoting the "Ten New AI Construction Projects" (2025-2028) and the "Artificial Intelligence Island" to create opportunities for AI construction and technology

factory construction companies, and to attract construction projects in major technology parks.

10. Lead sales by production to proactively develop the market and marketing networks and secure various major public and private projects.

III. Future Development Strategy:

1. Continue to consolidate the main cable business through promotional campaigns from time to time and enhance the domestic market share and the sales of high-profit products to secure the foundation for corporate operation.
2. To nurture and develop new niche-oriented products, improve additional value, and lay the groundwork for sustainable corporate operation.
3. Explore new sales networks by adding distributors in other counties and cities and offshore islands to further corporate advantages and expand the market share.
4. Strengthen project-based services for wind power generation, solar energy storage, and related power plant constructions.
5. Expand direct-sale networks and the market share of professional customers in central and southern parts of Taiwan to boost operating income and profit.
6. As part of the government's policy to assessment restart the nuclear power plant, power-generating units at domestic thermal power plants are being eliminated and replaced and new ones are being added, which has driven up the demand for ultra-high-voltage cables and rubber cables. Eliminate and replace ultra-high voltage cables that are more than 30 years old.
7. In terms of public constructions, addition and extension of MRT lines, Taiwan Railway Administration's stations, substations, airports, and harbors will bring about quite impressive business opportunities in the future. Therefore, their business is also prioritized.
8. Proactively keep track of news about constructions taking place at private corporations, such as petrochemical, iron and steel, and electronics industries, secure public construction projects such as urban renewal, public housing for young people, social housing, among others, and reinforce the quality of service, bring down the cost, and improve competitiveness.
9. Keep track of the international situation and the economic policies of the government in the future at all times, adjust the sales strategy and research and development of new products, and introduce them into the market to improve profitability of products.
10. Develop new professionals and improve professionalism in order to provide the Company with innovative ideas and increase new developmental opportunities on the market. In addition, make sufficient use of information and computerization to create competitive advantages.
11. Transform digitally, computerize cable design and production process flows, effectively bring down the production cost, build smart manufacturing, and enhance production competitive advantages.

IV. Impacts of External Competitive Environment, Regulatory Environment, and Overall Operating Environment:

1. Segment the market by the attribute of product to avoid price-cutting competition with counterparts.
2. Properly take advantage of the minimal copper mechanism, stabilize relative gross profits, and avoid the volatility risk since the unit price of copper and XLPE, among other primary raw materials, impacts gross profits quite significantly due to fluctuating exchange rates.
3. Develop special cables and green environmentally friendly lead-free cables, among other niche products, to improve gross profits.
4. Net-zero policy target by 2050 and the second energy transition.
5. Reinforce the capabilities to research and develop and sell top-notch products in order to effectively segment the market for improved revenue and profits.
6. Boost the production and manufacturing capabilities of plants, bring down the production cost, and flexibly adjust the sales strategy in response to changes on the market in order to create maximum profits and cope with the extra-market competitive environment.
7. Promote benign competition on the market and adjust the throughput to avoid vicious competition among similar products.
8. In light of the current international situation, the supply of raw materials is being severely impacted by the conflict in the Middle East, potentially leading to supply chain disruptions, logistical obstacles, and soaring raw material costs. Understanding customer needs and production schedules is crucial to avoiding the risks of material shortages and losses.

It is my hope that you, as the shareholders, can continue to support and provide guidance to the management of Hong Tai. Thank you.

And I wish you the best in all your endeavors and good health.

Chairman: Chiu Chiang Investment Co., Ltd.
Representative: Chen Shi-Yi

Manager: Li Wen-Pin

Accounting Manager Pan Shao-Ping

B. Corporate Governance Report

I. Profile of Directors, President, Vice President, Senior Vice President, Department Heads, and Heads of Branches:

(I) Director:

1. Director Profile:

April 11, 2026

Title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term in office	Date first elected	Shares held upon inauguration		Number of shares currently held		Shares currently held by spouse and underage children		Shares held in someone else's name		Main experience (education)	Other current positions within the Company	Spouse or relatives up to the second degree of kinship or closer relatives acting as other departmental heads, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	R.O.C	Chiu Chiang Investment Co., Ltd.	--	2025.06.18	3 years	2004.05.28	15,734,514	4.98%	15,734,514	4.98%	0	0%	0	0%	--	--	None	None	None	
		Representative: Chen Shi-Yi	Male 71-80 years old	2025.06.18		1981.10.17	13,622,563	4.31%	13,622,563	4.31%	2,159,485	0.68%	0	0%	Master of Business Administration, California State University, USA National Taiwan University YAMAHA MOTORS CORP USA President of HONG TAI ELECTRIC INDUSTRIAL CO., LTD.	Director of Etron Technology, Inc (Institutional Representative) Director of Shenjinyuan Investment Co., Ltd. (Institutional Representative) Director of Southern Star Investment Co., Ltd. (Institutional Representative)	Director	Chen Liang-Hua	First degree of kinship	
Director	R.O.C	Qiqingxin Investment Co., Ltd.	--	2025.06.18	3 years	2019.06.13	6,000,000	1.90%	6,000,000	1.90%	0	0%	0	0%	--	--	None	None	None	
		Representative: Chen Chih	Male 31-40 years old	2025.06.18		2022.11.11	323,732	0.10%	323,732	0.10%	0	0%	0	0%	Master of Electrical Engineering, University of Southern California Research Fellow, Yenwen Asset Management Co., Ltd. Vice Head of the Business Planning Center, iCatch Technology, Inc.	Director of Safety Investment Co., Ltd. (Institutional Representative)	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term in office	Date first elected	Shares held upon inauguration		Number of shares currently held		Shares currently held by spouse and underage children		Shares held in someone else's name		Main experience (education)	Other current positions within the Company	Spouse or relatives up to the second degree of kinship or closer relatives acting as other departmental heads, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
		Jyh Tai Investment Co., Ltd.	--	2025.06.18		2004.05.28	11,972,029	3.79%	12,225,029	3.87%	0	0%	0	0%	--	--	None	None	None	
Director	R.O.C	Representative: Chen Liang-Hua	Male 41-50 years old	2025.06.18	3 years	2015.06.29	22,884,153	7.24%	22,884,153	7.24%	6,884,746	2.18%	0	0%	Master of Business Administration, University of California - San Bernardino, USA RHB Hong Kong Limited (RHB Hong Kong) (Former Vice President of Capital Market Department of OSK Securities)	Chief Strategy Officer, Vice President of Investment Division and South Africa Division, Hong Tai Electric Industrial Co., Ltd. Chairman of Chiu Chiang Investment Co., Ltd. Chairman of Safety Investment Co., Ltd. (Institutional Representative) Chairman of Jyh Tai Investment Co., Ltd. (Institutional Representative) Director of EYS3D Microelectronics, Co. (Institutional Representative) Director of Great Team Backend Foundry, Inc. Director of South Ocean Holdings Ltd. (Institutional Representative) Director of Moneywin International Ltd. (Institutional Representative) Director of Lianfa Metal Enterprise Co., Ltd. (Institutional Representative) Director of United Electric Industrial Co., Ltd. (Institutional Representative) Supervisor of Shiliangze Investment Co., Ltd. Director of NCCU Star Venture Capital Co., Ltd. (Institutional Representative) Supervisor of Yuan Chuang Co., Ltd.	Chairman	Chen Shi-Yi	First degree of kinship	

Title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term in office	Date first elected	Shares held upon inauguration		Number of shares currently held		Shares currently held by spouse and underage children		Shares held in someone else's name		Main experience (education)	Other current positions within the Company	Spouse or relatives up to the second degree of kinship or closer relatives acting as other departmental heads, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	R.O.C	Shinn Bang Investment Co.	--	2025.06.18	3 years	2010.06.15	5,390,500	1.71%	5,390,500	1.71%	0	0%	0	0%	--	--	None	None	None	
		Representative: Pan Shao-Ping	Male 41-50 years old	2025.06.18		2022.06.21	2,613,593	0.83%	2,613,593	0.83%	0	0%	0	0%	0	0%	Master of Business Administration of the THUNDERBIRD School of Global Management Assistant Vice President of the Auditing Office of Hong Tai Electric Industrial Co., Ltd.	Chief Operating Officer, Senior Vice President of Management Service Department, Hong Tai Electric Industrial Co., Ltd. Supervisor of Shinn Bang Investment Co. Director of Safety Investment Co., Ltd. (Institutional Representative) Supervisor of Lianfa Metal Enterprise Co., Ltd. (Institutional Representative) Director of Moneywin International Ltd. (Institutional Representative)	None	None
Independent Director	R.O.C	Chao Jang, Jing	Female 71-80 years old	2025.06.18	3 years	2004.05.28	461,913	0.15%	461,913	0.15%	0	0%	0	0%	Master of in Economics, California State University, USA Chief Financial Officer, General Management Department, China Times Media Group Standing directors of China Television Company Supervisor of CTI Television Incorporation	Director, DerMauShin Capital Co., Ltd. Director of Director of China Times Publishing Co. (Corporate Representative) Director of Ardentec Corporation (Corporate Representative) Supervisor of Suhai Design and Production Inc.	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date elected (inaugurated)	Term in office	Date first elected	Shares held upon inauguration		Number of shares currently held		Shares currently held by spouse and underage children		Shares held in someone else's name		Main experience (education)	Other current positions within the Company	Spouse or relatives up to the second degree of kinship or closer relatives acting as other departmental heads, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	R.O.C	Tseng Peifen	Female 51-60 years old	2025.06.18	3 years	2025.06.18	0	0%	0	0%	0	0%	0	0%	Department of Finance, National Taiwan University Head of Finance Department of Longchen Paper & Packaging Co., Ltd. Assistant Vice President of Strategic Investment, Pou Chen Group Taichung Headquarters	Chief Financial Officer of Lioneeers Sports & Entertainment Co., Ltd. and Bros Sports Marketing Co., Ltd.	None	None	None	
Independent Director	R.O.C	Stan Tong	Male 51-60 years old	2025.06.18	3 years	2025.06.18	0	0%	0	0%	0	0%	0	0%	Department of Economics, National Taiwan University Graduate Institute of Technology Innovation & Intellectual Property Management at National Chengchi University (MMOT) Associate Spokesperson / Investor Relations Officer / Executive Assistant to CEO of Global Mixed-mode Technology Inc. Bread of Life Christian Church in Taipei / Bread of Life DaPingLin Gospel Center Bread of Life Christian Church in Taipei / Bread of Life DaPingLin Gospel Center Executive Deacon / Deacon / District Pastor Director of Asia for JESUS Director of Chinese Tao Tao Cultural and Creative Association Lecturer of Marketplace Transformation Institute: Industry Expert Class Host of Good News Radio: Industry Expert Class Lecturer of Graduate Institute of International Business, National Taipei University	Associate Spokesperson / Investor Relations Officer / Executive Assistant to CEO of Global Mixed-mode Technology Inc. Bread of Life Christian Church in Taipei / Bread of Life DaPingLin Gospel Center Deacon / District Pastor Supervisor of Asia for JESUS Director of Chinese Tao Tao Cultural and Creative Association Lecturer of Marketplace Transformation Institute: Industry Expert Class Host of Good News Radio: Industry Expert Class Director of Isaiah's Ark Foundation	None	None	None	

2. Major shareholders of institutional shareholders:

April 11, 2026

Name of institutional shareholder	Primary shareholders of institutional shareholders
Chiu Chiang Investment Co., Ltd.	Chang Chun-Fei (3.80%), Chen Shi-Yi (2.70%), Li, Ya-Ming (2.19%), Chen Liang-Hua (36.44%), Chen Tse-Yu (48.82%), Hsu Wei-Tzu (6.05%)
Qiqingxin Investment Co., Ltd.	Chi Kuei-Hua (88.92%), Chen Yu-Han (5.54%), Chen Chih (5.54%)
Jyh Tai Investment Co., Ltd.	Chiu Chiang Investment Co., Ltd. (100%)
Shinn Bang Investment CO., Ltd.	Pan Wu-Hsiung (36.90%), Wu Ting-Ying (26.09%), Pan Shao-Ping (25.99%), Pan Hsin-Pin (11.02%).

3. Disclosure of professionalism of directors and independence of independent directors:

Name \ Criteria	Professionalism and experience (Note 1)	Independence (Note 2)	Number of other public companies with the position of independent director
Chiu Chiang Investment Co., Ltd. Representative: Chen Shi-Yi	Master of Business Administration, California State University, USA Current Chairman of Hong Tai Electric Industrial Co., Ltd., director of Etron Technology, Inc, director of Shen Chin Yuan Co., Ltd., director of Southern Star Investment Co., Ltd., with experiences in different industries and various fields in different markets, commercial, legal, finance, accounting, and other work experiences required to support corporate operations, as well as familiarity with industry trends and leadership capabilities. None of the provisions in Article 30 of the Company Act is applicable.	Not applicable	None
Qiqingxin Investment Co., Ltd. Representative: Chen Chih	Master of Electrical Engineering, University of Southern California Vice Director at the Operation and Distribution Planning Center, iCatch Technology Inc., with leadership in professional fields and commercial, management, and other work experiences required to support corporate operations. None of the provisions in Article 30 of the Company Act is applicable.	Not applicable	None
Jyh Tai Investment Co., Ltd. Representative: Chen Liang-Hua	Master of Business Administration, University of California - San Bernardino, USA With international perspectives and experience with overseas investment markets as well as commercial, legal, finance, accounting, and other work experiences required to support corporate operations. None of the provisions in Article 30 of the Company Act is applicable.	Not applicable	None
Shinn Bang Investment CO., Ltd. Representative: Pan Shao-Ping	Master of Business Administration of the THUNDERBIRD School of Global Management Having worked for the Company for years and served multiple positions, with commercial, management, finance, accounting or other work experiences required to support corporate operations. None of the provisions in Article 30 of the Company Act is applicable.	Not applicable	None

Criteria Name	Professionalism and experience (Note 1)	Independence (Note 2)	Number of other public companies with the position of independent director
Independent Director Chao Jang, Jing (Convener)	Master of in Economics, California State University, USA Current convener of the Company's Audit Committee and Compensation and Remuneration Committee, as well as Chief Financial Officer of DerMauShin Capital Co., Ltd., with commercial, legal, financial, accounting, and other experiences required to support corporate operations. Certified Public Accountant in the United States, Taiwan and China.	Fulfillment of respective independence criteria below for the two years prior to inauguration and during service: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company of any of its affiliates (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (3) Not a natural person shareholder who, in person or in someone else's name, or whose spouse or underage child holds more than 1% of the Company's outstanding shares or is a Top-10 natural-person shareholder of the Company. (4) Not the spouse or a relative within the second degree of kinship, or a direct blood relative within a third degree of kinship of the manager listed in (1) or the person listed in (2) or (3). (5) Not a director, supervisor, or employee of the institutional shareholder that directly holds at least 5% of outstanding shares of the Company, is one of the Top 5 shareholders of the Company or has a representative to serve as the director or supervisor of the Company in compliance with Article 27 Paragraph 1 or 2 of the Company Act (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (6) Not a director, supervisor, or employee of another company that holds a majority of the Company's director seats or shares with voting rights and is controlled by a single person (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (7) Not a director, supervisor, or employee of a company or institution that has the same chairman, president, or the equivalent position holder as the Company or is owned by the spouse of the person holding the said position (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the company. (Unless the said specific company or institution holds at least 20% and no more than 50% of outstanding shares of the Company and it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (9) Not the owner, a partner, director, supervisor, manager, or the spouse of a professional, sole proprietorship, partner, company, or institution providing auditing service to the Company or any of its affiliates or other related services such as commerce, legal affairs, finance, and accounting with accumulated rewards over the past two years yet to exceed NTD 500,000. This, however, does not include members of the Compensation and Remuneration Committee, the Public Acquisition Review Committee, or the Special Merger and Acquisition Committee that function in compliance with applicable laws and regulations such as the Securities and Exchange Act or the Business Mergers And Acquisitions Act. (10) Not the spouse or a relative within the second degree of kinship of other directors. (11) Without any of the conditions under Article 30 of the Company Act. (12) Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.	None
Independent Director Tseng Peifen	Department of Finance, National Taiwan University graduate Current member of the Company's Audit Committee and Compensation and Remuneration Committee, with commercial, financial, accounting, and other experiences required to support corporate operations, specializing in corporate finance and financing planning, and possessing rich experience in industrial planning.	(6) Not a director, supervisor, or employee of another company that holds a majority of the Company's director seats or shares with voting rights and is controlled by a single person (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (7) Not a director, supervisor, or employee of a company or institution that has the same chairman, president, or the equivalent position holder as the Company or is owned by the spouse of the person holding the said position (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the company. (Unless the said specific company or institution holds at least 20% and no more than 50% of outstanding shares of the Company and it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (9) Not the owner, a partner, director, supervisor, manager, or the spouse of a professional, sole proprietorship, partner, company, or institution providing auditing service to the Company or any of its affiliates or other related services such as commerce, legal affairs, finance, and accounting with accumulated rewards over the past two years yet to exceed NTD 500,000. This, however, does not include members of the Compensation and Remuneration Committee, the Public Acquisition Review Committee, or the Special Merger and Acquisition Committee that function in compliance with applicable laws and regulations such as the Securities and Exchange Act or the Business Mergers And Acquisitions Act. (10) Not the spouse or a relative within the second degree of kinship of other directors. (11) Without any of the conditions under Article 30 of the Company Act. (12) Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.	None
Independent Director Stan Tong	Department of Economics, National Taiwan University graduate Currently serves as a member of the Company's Audit Committee and Compensation and Remuneration Committee, and concurrently holds the positions of Deputy Spokesperson, Head of Investor Relations, and Special Assistant to the General Manager at Global Mixed-Mode Technology Inc., with professional experience required for the Company's business operations.	(9) Not the owner, a partner, director, supervisor, manager, or the spouse of a professional, sole proprietorship, partner, company, or institution providing auditing service to the Company or any of its affiliates or other related services such as commerce, legal affairs, finance, and accounting with accumulated rewards over the past two years yet to exceed NTD 500,000. This, however, does not include members of the Compensation and Remuneration Committee, the Public Acquisition Review Committee, or the Special Merger and Acquisition Committee that function in compliance with applicable laws and regulations such as the Securities and Exchange Act or the Business Mergers And Acquisitions Act. (10) Not the spouse or a relative within the second degree of kinship of other directors. (11) Without any of the conditions under Article 30 of the Company Act. (12) Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.	None

4. Diversification and independence of the Board of Directors:

According to Article 20 of the Company’s “Corporate Governance Best-Practice Principles”, the composition of the Board of Directors shall be determined by taking diversity into consideration and preparing a suitable diversification policy reflective of its own operation, the operational pattern, and developmental demand. Members of the Board of Directors shall possess the required skills for them to fulfill their duties and in order to accomplish corporate governance, the Board of Directors as a whole shall possess the following capabilities (1) operational judgment, (2) accounting and financial analysis, (3) business management, (4) crisis management, (5) industrial knowledge, (6) international market perspective, (7) leader, and (8) decision-making.

Currently, the Company’s Board of Directors consists of seven directors, including three independent directors. Among them, two are female directors, representing 28.6% of the Board. Ages of the directors are 71 to 80 years old (28.6%), 51 to 60 years old (28.6%), 41 to 50 years old (28.6%), and 31 to 40 years old (14.3%); the mean age of all directors is about 56 years old.

Title	Name	Gender	Diversification									
			Operational judgment	Financial and accounting analysis	Business management	Crisis management	Industrial and academic knowledge	International horizon	Leadership	Decision-making ability	Industrial experience/professional skills	
Representative of Chiu Chiang Investment Co., Ltd.	Chairman Chen Shi-Yi	Male	√	√	√	√	√	√	√	√	√	Wire/cable
Representative of Qiqingxin Investment Co., Ltd.	Director Chen Chih	Male	√	√	√	√	√	√	√			Technology
Representative of Jyh Tai Investment Co., Ltd.	Director Chen Liang-Hua	Male	√	√	√	√			√			Finance and investment
Representative of Shinn Bang Investment Co. Ltd.	Director Pan Shao-Ping	Male	√	√	√	√						Finance and accounting
Independent Director	Chao Jang, Jing	Female	√	√	√	√	√	√	√	√	√	Finance and accounting
Independent Director	Tseng Peifen	Female	√	√	√	√						Finance and accounting
Independent Director	Stan Tong	Male	√	√	√	√						Finance and investment

Diversification	Specific Objectives	Current Status
Gender	Including at least 1 female director	Achieved: Two female independent directors were elected at the 2025 Annual Shareholders’ Meeting.
Expertise or background	At least 1 with the eligibility of a CPA	Achieved

If the number of directors of the same gender on the board of directors is less than one-third, the reasons and measures to be taken to improve the gender diversity of directors shall be stated:

The Company currently has two female directors. While this complies with applicable regulatory requirements, it has not yet reached the target of one-third representation on the Board. This is primarily due to the relatively limited availability of qualified female candidates with relevant industry experience. In the future, the Company will seek suitable candidates through diversified channels to expand the talent pool for board candidates, thereby improving corporate governance efficiency and progressively implementing the policy of board diversity.

5. Independence of Board of Directors:

The Company’s Board of Directors consists of 7 directors, including 3 independent directors, representing 43% of the Board. The Audit Committee, composed of all independent directors,

exercises its powers independently.

Among the members of the Board of Directors, except for Chairman Chen Shi-Yi and Director Chen Liang-Hua, who are of the first degree of kinship, the other (5) directors comply with the requirements set forth in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

All independent directors meet regulatory requirements.

Note 1: Professionalism and experience: Specify the professionalism and experience of individual directors. If a member of the Audit Committee possesses accounting or financial expertise, for example, the accounting or financial background and work experience as well as the conceptions in respective sub-paragraphs of Article 30 of the Company Act shall be specified.

Note 2: The independent directors shall describe their independence, including but not limited to whether the directors and their spouses and relatives within second degree serve as directors, or employees of the Company or any of its affiliates; the number and proportion of shares of the Company held by the directors and their spouses and relatives within second degree (or in the name of others); whether serving as a director, or employee of a company with which the Company has a specific relationship (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.

(II) Profile of President, Vice Presidents, Senior Vice Presidents, Department Heads and Heads of Branches:

April 11, 2026

Title	Nationality	Name	Gender	Date elected (inaugurated)	Number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience (education)	Current position held in another company	Manager who is a spouse or a relative within the second degree of kinship			Remarks	
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
President	R.O.C	Li Wen-Pin	Male	2021.09.07	1,010,000	0.32%	0	0%	0	0%	Department of Electrical Engineering, National Cheng Kung University Assitant Vice President of the Power Cable Division of Hong Tai Electric Industrial Co., Ltd. Vice President	None	None	None	None		
Chief Strategy Officer / Vice President	R.O.C	Chen Liang-Hua	Male	2021.09.14	22,884,153	7.24%	6,884,746	2.18%	0	0%	Master of Business Administration, University of California - San Bernardino, USA RHB Hong Kong Limited (RHB Hong Kong) (Former Vice President of Capital Market Department of OSK Securities)	Chairman of Chiu Chiang Investment Co., Ltd. Chairman of Safety Investment Co., Ltd. (Institutional Representative) Chairman of Jyh Tai Investment Co., Ltd. (Institutional Representative) Director of EYS3D Microelectronics, Co. (Institutional Representative) Director of Great Team Backend Foundry, Inc. Director of South Ocean Holdings Ltd. (Institutional Representative) Director of Moneywin International Ltd. (Institutional Representative) Director of Lianfa Metal Enterprise Co., Ltd. (Institutional Representative) Director of United Electric Industrial Co., Ltd. (Institutional Representative) Supervisor of Shiliangze Investment Co., Ltd. Director of Cheng Ta Star Investment Co., Ltd. (Institutional Representative) Supervisor of Yuan Chuang Co., Ltd.	None	None	None	None	
Chief Operation Officer / Vice President (Head of Finance and Accounting)	R.O.C	Pan Shao-Ping	Male	2021.09.07	2,613,593	0.83%	0	0%	0	0%	Master of Business Administration of the THUNDERBIRD School of Global Management Assistant Vice President of the Auditing Office of Hong Tai Electric Industrial Co., Ltd.	Supervisor of Shinn Bang Investment Co. Ltd. Director of Safety Investment Co., Ltd. (Institutional Representative) Supervisor of Lianfa Metal Enterprise Co., Ltd. (Institutional Representative) Director of Moneywin International Ltd. (Institutional Representative)	None	None	None		

II. Remuneration paid to Directors (including Independent Directors), Supervisors, President, and Vice Presidents in Recent Years:

(I) Remuneration for general directors and independent directors (overview and range, with disclosure of the name):

Unit: NTD thousand

Title	Name	Remuneration for directors				Sum of A+B+C+D and its ratio to after-tax net profit (Note 10)		Related remuneration for those who are also employees of the Company						Sum of A+B+C+D+E+F+G and its ratio to after-tax net profit (Note 10)		Remuneration received from reinvestments other than subsidiaries or the parent company (Note 11)								
		Remuneration (A) (Note 2)		Severance pay and pension (B)				Remuneration for directors (C) (Note 3)		Business expenses (D) (Note 4)		Salaries, bonuses and allowances (E) (Note 5)					Severance pay and pension (F)		Remuneration for employees (G) (Note 6)					
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	Cash value	Stock value		The Company	All companies in the financial statements (Note 7)						
Chairman	Chiu Chiang Investment Co., Ltd. Representative: Chen Shi-Yi	0	0	0	0	31,061	31,061	480	480	31,541	31,541	13,397	13,397	299	299	2,993	0	3,700	0	48,230	49,001	5.5110%	5.5991%	None
Director	Qiqingxin Investment Co., Ltd. Representative: Chen Chih																							
Chief Strategy Officer	Jyh Tai Investment Co., Ltd. Representative: Chen Liang-Hua																							
Chief Operation Officer	Shinn Bang Investment Co. Representative: Pan Shao-Ping																							
Independent Director	Chao Jang, Jing	1,920	1,920	0	0	2,400	2,400	360	360	4,680	4,680	0	0	0	0	0	0	0	0	4,680	4,680	0.5348%	0.5348%	None
Independent Director	Tseng Peifen (Note 1)																							
Independent Director	Stan Tong (Note 2)																							
Independent Director	Chih Yuan Lu (Note 3)																							
Independent Director	Hsueh Yu Lo (Note 4)																							

Note 1: Newly appointed on 2025.06.18

Note 2: Newly appointed on 2025.06.18

Note 3: (Dismissed on 2025.06.18)

Note 4: (Dismissed on 2025.06.18)

1. Please clarify the payment policy, system, criteria, and structure of remuneration for independent directors and the association between factors such as responsibilities assigned, risks, and time spent, among others, and the value of the rewards paid:

Article 19 of the Company's Articles of Incorporation stipulates that directors of the Company may receive compensation unaffected by profits or losses according to their involvement in and their contributions to the Company's operation. The industrial standards may be referred to. Such compensation is determined by the Board of Directors as authorized after it is deliberated by the Compensation and Remuneration Committee.

Article 21 of the Company's Articles of Incorporation stipulates that: no more than 3% of the annual earnings shall be the remuneration for directors.

2. Except as disclosed above, remuneration received by directors in the latest year for on-balance sheet services (e.g. acting as a non-employee consultant of the parent company/all companies covered in the financial statements/investees) rendered to the Company: 0

Remuneration bracket table

Bracket by which remuneration is paid to individual directors of the Company	Name of Director			
	Sum of the first four types of remuneration (A+B+C+D)		Sum of the first seven types of remuneration (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9)I
Below \$1,000,000.00	Independent Director: Tseng Peifen Independent Director: Stan Tong Independent Director: Chih-Yuan Lu Independent Director: Hsueh Yu Lo	Independent Director: Tseng Peifen Independent Director: Stan Tong Independent Director: Chih-Yuan Lu Independent Director: Hsueh Yu Lo	Independent Director: Tseng Peifen Independent Director: Stan Tong Independent Director: Chih-Yuan Lu Independent Director: Hsueh Yu Lo	Independent Director: Tseng Peifen Independent Director: Stan Tong Independent Director: Chih-Yuan Lu Independent Director: Hsueh Yu Lo
\$1,000,000 (inclusive) to \$2,000,000 (exclusive)	Independent Director: Chao Jang, Jing	Independent Director: Chao Jang, Jing	Independent Director: Chao Jang, Jing	Independent Director: Chao Jang, Jing
\$2,000,000 (inclusive) to \$3,500,000 (exclusive)				
\$3,500,000 (inclusive) to \$5,000,000 (exclusive)				
\$5,000,000 (inclusive) to \$10,000,000 (exclusive)	General director: Chiu Chiang Investment - Chen Shih-Yi General director: Qiqingxin Investment - Chen Chih General director: Jyh Tai Investment - Chen Liang-Hua General director: Shinn Bang Investment - Pan Shao-Ping	General director: Chiu Chiang Investment - Chen Shih-Yi General director: Qiqingxin Investment - Chen Chih General director: Jyh Tai Investment - Chen Liang-Hua General director: Shinn Bang Investment - Pan Shao-Ping	General director: Qiqingxin Investment - Chen Chih	General director: Qiqingxin Investment - Chen Chih
\$10,000,000.00 (inclusive) to \$15,000,000 (exclusive)			General director: Jyh Tai Investment - Chen Liang-Hua General director: Shinn Bang Investment - Pan Shao-Ping	General director: Jyh Tai Investment - Chen Liang-Hua General director: Shinn Bang Investment - Pan Shao-Ping
\$15,000,000.00 (inclusive) to \$30,000,000 (exclusive)			General director: Chiu Chiang Investment - Chen Shih-Yi	General director: Chiu Chiang Investment - Chen Shih-Yi
\$30,000,000.00 (inclusive) to \$50,000,000 (exclusive)				
\$50,000,000.00 (inclusive) to \$100,000,000 (exclusive)				
Greater than NT\$100,000,000				
Total	9	9	9	9

(II) Remuneration for supervisors (overview and range, with disclosure of the names):

The Company re-elected its directors and established an Audit Committee on June 21, 2016; no supervisor has been set up.

(III) Remuneration for the General Manager and Vice General Manager (overview and range, with disclosure of the names): Unit: NTD thousand

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Bonuses and allowances, etc. (C) (Note 3)		Employee remuneration (D)(Note 4)				Sum of A+B+C+D and its ratio to after-tax net profit (%) (Note 8)		Remuneration received from reinvestments other than subsidiaries or the parent company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements	
								Cash value	Stock value	Cash value	Stock value			
Chairman	Chen Shi-Yi	8,645	8,645	407	407	12,524	13,283	4,373	0	4,373	0	25,949 2.9651%	26,708 3.0518%	None
President	Li Wen-Pin													
Chief Strategy Officer	Chen Liang-Hua													
Chief Operation Officer	Pan Shao-Ping													

Remuneration bracket table

Bracket by which remuneration is paid to individual General Managers and Vice General Managers of the Company	Name of General Manager and Vice General Manager	
	The Company (Note 6)	All companies in the financial statements (Note 7) E
Below \$1,000,000.00		
\$1,000,000 (inclusive) to \$2,000,000 (exclusive)		
\$2,000,000 (inclusive) to \$3,500,000 (exclusive)		
\$3,500,000 (inclusive) to \$5,000,000 (exclusive)	Chen Liang-Hua, Pan Shao-Ping	Pan Shao-Ping
\$5,000,000 (inclusive) to \$10,000,000 (exclusive)	Chen Shi-Yi, Li Wen-Pin	Chen Shi-Yi, Li Wen-Pin, Chen Liang-Hua
\$10,000,000.00 (inclusive) to \$15,000,000 (exclusive)		
\$15,000,000.00 (inclusive) to \$30,000,000 (exclusive)		
\$30,000,000.00 (inclusive) to \$50,000,000 (exclusive)		
\$50,000,000.00 (inclusive) to \$100,000,000 (exclusive)		
Greater than NT\$100,000,000		
Total	4	4

(IV) Names of managers to whom employee remuneration is distributed and distribution status:

Unit: NTD thousand

	Title (Note 1)	Name (Note 1)	Stock value	Cash value	Total	Ratio of the sum to after-tax net profit (%)
Manager	Chairman	Chen Shi-Yi	0	4,373	4,373	0.4997%
	President	Li Wen-Pin				
	Chief Strategy Officer	Chen Liang-Hua				
	Chief Operation Officer	Pan Shao-Ping				

Note 1: The name and title of the individual shall be disclosed yet distribution of profits may be disclosed in an overview.

Note 2: It is the employee remuneration (including stock and cash) distributed to managers through the Board of Directors in recent years. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculate proportionally. Net profit after tax refers to the net profit after tax for the most recent fiscal year; when the International Financial Reporting Standards are already adopted, after-tax net profit refers to that shown in the individual financial statements of the most recent year.

Note 3: The scope of applicability for managers is based on the Taiwan-Finance-Securities-III-0920001301 letter dated March 27, 2003 and is defined as follows:

- (1) President and equivalent
- (2) Vice President and equivalent
- (3) Senior Vice President and equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other people entitled to corporate administration and with the right to sign on behalf of the Company

Note 4: If directors, general managers, and vice general managers receive employee remuneration (including stock and cash), besides Exhibits 1-2, this table needs to be completed, too.

- (V) Related information of remuneration paid to the directors, president, and vice presidents of the Company by the Company and all companies included in the consolidated statement over the past two years:

1. Analysis of the ratio to after-tax net profit:

Title	2025 Ratio of the sum of remuneration paid to the directors, supervisors, president, and vice presidents of the Company by the Company and all companies included in the consolidated statement	2024 Ratio of the sum of remuneration paid to the directors, supervisors, president, and vice presidents of the Company by the Company and all companies included in the consolidated statement
Director	6.14%	6.62%
President and Vice President	3.06%	3.18%

Note: After-tax net profit refers to that in the most recent year; when the International Financial Reporting Standards are already adopted, after-tax net profit refers to that shown in the individual financial statements of the most recent year.

2. Correlation among the remuneration payment policy, standards and combination, remuneration establishment procedures, and management efficacy and risks in the future:

(1) Remuneration for directors:

Articles of Incorporation 21 of the Company stipulates that no more than 3% of annual earnings, if any, shall be set aside to be the remuneration to directors. With reference to the Company's operational strategy, operating performance, future developments, and the industrial setting as well as their involvement in and contribution to corporate operations, directors are provided with reasonable remuneration. In addition, in accordance with the "rules for performance evaluation of the board of directors", a board performance evaluation shall be conducted at the end of each year. The directors' self-evaluation items include: six aspects which are the mastery of Company goals and duties, the awareness of director responsibilities, the degree of participation in company operations, the internal relationship management and communication, the profession and continuing education of directors, and the internal control. The "Board of Directors Performance Evaluation Results" for each year will be provided to the Compensation and Remuneration Committee as a reference for individual director's compensation, which will be reviewed by the Compensation and Remuneration Committee on a regular basis. A proposal will be made and submitted to the Board of Directors for approval before it is enforced.

The operating performance in 2025 increased compared to that in 2024, with an increase of approximately 16% in EPS (earnings per share after tax). Therefore the remuneration for directors in 2025 also increased compared to that in 2024.

(2) Remuneration for managers:

The overall compensation of the Company's managers shall be approved by the Compensation and Remuneration Committee at the time of appointment. The composition of the compensation mainly consists of salaries, bonuses, employee compensation, etc., and the assessment is made based on job content, market salary level and other factors, so as to ensure that the compensation of the Company's management is competitive in the industry in order to retain outstanding

management talent. In addition, if the company makes a profit in the current year, 2% to 8% will be set aside as employee remuneration in accordance with Article 21 of the Company's Articles of Incorporation. In addition to salary, the distribution of rewards take into account their contribution, including: 1. Contribution of each business unit to the company's income statement and the target achievement rate. 2. Overall management operations and risk control capabilities. 3. Contribution to the future development of the Company. After calculation, the Compensation and Remuneration Committee will review it and make recommendations, which will be implemented after approval by the Board of Directors to recognize and reward the managers' efforts and contributions at work.

The Company's remuneration package, which is determined in accordance with the rules and regulations of the Compensation and Remuneration Committee, consists of cash compensation, stock options, stock dividends, retirement or termination benefits, various allowances, and other substantial incentives. The scope of remuneration is in line with relevant directors' and managers' remuneration as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

III. Operational Status of Corporate Governance:

(I) Information on the Operational Status of the Board of Directors:

The Board of Directors met 7 times over the past year (2025) (A) and attendance (seating) of directors in the meetings is shown below:

Title	Name (Note 1)	Attendance in person B	Attendance by proxy	Ratio of attendance in person (%) [B/A] (Note 2)	Remarks
Chairman	Chiu Chiang Investment Co., Ltd. Representative: Chen Shi-Yi	6	1	86%	Re-elected (Expected attendance: 7 meetings)
Director	Qiqingxin Investment Co., Ltd. Representative: Chen Chih	7	0	100%	Re-elected (Expected attendance: 7 meetings)
Director	Jyh Tai Investment Co., Ltd. Representative: Chen Liang-Hua	7	0	100%	Re-elected (Expected attendance: 7 meetings)
Director	Shinn Bang Investment CO., Ltd. Representative: Pan Shao-Ping	7	0	100%	Re-elected (Expected attendance: 7 meetings)
Independent Director	Chao Jang, Jing	7	0	100%	Re-elected (Expected attendance: 7 meetings)
Independent Director	Tseng Peifen	4	0	100%	Newly appointed on 2025.6.18 (Expected attendance: 4 meetings)
Independent Director	Stan Tong	4	0	100%	Newly appointed on 2025.6.18 (Expected attendance: 4 meetings)
Independent Director	Chih Yuan Lu	3	0	100%	(Dismissed on 2025.6.18) (Expected attendance: 3 meetings)
Independent Director	Hsueh Yu Lo	3	0	100%	(Dismissed on 2025.6.18) (Expected attendance: 3 meetings)

Other details to be documented:

- I. The date and session number of the meeting of the Board of Directors, proposal contents, opinions of all Independent Directors, and Action's reactions towards Independent Director's opinions shall be specified in case of the following conditions in respect of the operation of the Board of Directors:
 - (I) Matters specified in Article 14-3 of the Securities and Exchange Act: The Company has the Audit Committee in place; the requirement under Article 14-3 of the Securities and Exchange Act does not apply according to Article 14-5 of the Securities and Exchange Act.
 - (II) Besides those stated above, other matters decided through the Board of Directors meeting, for which Independent Directors expressed opposition or qualified opinions that were recorded or declared in writing: None
- II. For the enforcement of recusal upon conflicts of interest among directors, the name of the director, details of the proposal, reason for the recusal, and participation in the voting process or not shall be described:

In the 19th meeting of the 23rd Board of Directors on May 9, 2025, the distribution of managers' remuneration and the remuneration policies of the Company were discussed. Chairman Chen Shi-Yi, Director Chen Liang-Hua, and Director Pan Shao-Ping in attendance were recused director's first-degree blood relatives and had interested relationship with company managers, respectively, and, in honor of the recusal principle in case of conflicting interests, did not take part in the discussion and voting session and were disallowed to exercise voting rights on behalf of other directors. The proposal was approved as proposed after consultation with the other attending directors without objection by Chao Jang, Jing, the acting chairman appointed by the chairman and an independent director.

In the 4th meeting of the 24th Board of Directors on December 23, 2025, the distribution of managers' year-end bonus and the remuneration policies of the Company were discussed. Chairman Chen Shi-Yi, Director Chen Liang-Hua, and Director Pan Shao-Ping in attendance were recused director's first-degree blood relatives and had interested relationship with company managers, respectively, and, in honor of the

recusal principle in case of conflicting interests, did not take part in the discussion and voting session and were disallowed to exercise voting rights on behalf of other directors. The proposal was approved as proposed after consultation with the other attending directors without objection by Chao Jang, Jing, the acting chairman appointed by the chairman and an independent director.

III. TWSE/TPEX listed companies shall disclose the evaluation cycle and duration, and scope, approach, and content of the evaluation, among other information, of the reviews performed independently by the Board of Directors or peer reviews and complete the implementation status of Board of Directors reviews in Exhibit 2 (2):

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Details of evaluation
Once a year	January 1, 2025 through December 31, 2025	1.Board of Directors as a whole 2.Composition 3.Functional Committees (Audit Committee and Compensation and Remuneration Committee)	Self-evaluation inside the Board of Directors	Board of Directors Performance Evaluation: 1. Participation in Company operations 2. Improving decision-making quality of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal control Board Directors Performance Evaluation: 1. Familiarity with the goals and missions of the Company 2. Recognition of duties as Directors 3. Participation in Company operations 4. Management of internal relations and communication 5. Directors' professionalism and continuing education 6. Internal control Functional committee performance evaluation: 1. Participation in Company operations 2. Awareness of the responsibilities of functional committee 3. Improving decision-making quality of functional committee 4. Composition of functional committee and selection of its members 5. Internal control
At least once every three years	January 1, 2025 through December 31, 2025	1.Board of Directors as a whole 2.Composition 3. Functional Committees (Audit Committee and Compensation and Remuneration Committee)	The evaluation was performed by the authorized external professional independent institution "EY Business Advisory Services Inc."	Evaluated domain: 1. Board of Directors structure and procedure 2. Members of the Board of Directors 3. Legal entity and organizational structure 4. Roles and responsibilities 5. Behavior and culture 6. Director training and development 7. Risk control supervision 8. Filing, disclosure, and performance supervision - 8 domains in total (Note)

Note: The external evaluator conducted the evaluation through questionnaires, written review, and site visits that covers 3 major constructs, namely the structure, members, procedure and information of

the Company's Board of Directors and 8 major domains, namely the Board of Directors structure and procedure, members of the Board of Directors, legal entity and organizational structure, roles and responsibilities, behavior and culture, director training and development, risk control supervision, and filing/disclosure and performance supervision.

IV. Reinforced assessments of functional objectives of the Board of Directors and implementation status of the objectives of the specific year and the most recent year:

- (I) In order to implement corporate governance and to promote the functionality of the Company's Board of Directors, define performance goals, and reinforce the operation of the Board of Directors, the self-evaluation is performed each year and an external evaluation is performed by a professional independent contractor at least once every three years (which already took place in 2025). The self-evaluation performed on the members of the Board of Directors and functional committees as a whole in 2025 rendered optimal results and no major items requiring improvement. Results of the internal and external evaluation was brought forth in the Board of Directors meeting on March 13, 2026. Related information has been uploaded to the Market Observation Post System, too.
- (II) Since the re-election during the shareholders' meeting in June 2016, the Audit Committee has been in place. It consists of all independent directors and meets at least once quarter to review financial reports of the Company, the hiring (dismissal) and compensation of CPAs, the effectiveness of internal control and the applicable regulatory rules. The Audit Committee met 5 times in 2025. Related personnel were seated during meetings to answer questions and discuss related operations. Communications have been going on well. Annual work highlights are as follows:
1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
 2. Assessment of the effectiveness of the internal control system.
 3. Implementation or amendment of guidelines for major financial operations including asset acquisition and disposal, trading derivatives, lending funds to other parties, and making of endorsement and guarantees for other parties pursuant to Article 36-1 of the Securities and Exchange Act.
 4. Matters in which a director is an interested party.
 5. Asset transactions or derivatives trading of a material nature.
 6. Loans of funds, endorsements, or provision of guarantees of a material nature.
 7. The offering, issuance, or private placement of equity-type securities.
 8. The hiring or dismissal of a certified public accountant, or their compensation.
 9. The appointment or discharge of a financial, accounting, or internal audit manager.
 10. Annual and semiannual financial statements.
 11. Other material matters as may be required by this Corporation or by the competent authority.
- (III) Proactively provide information on various continuing education courses and encourage directors to participate in corporate governance courses to enhance the role as Board members. In 2025, 7 directors participated in continuing education for a total of 66 hours, with an average of 9.4 hours of study per director.
- (IV) Amendments to the Company's "Corporate Governance Best Practice Principles" to prohibit insiders of the Company from trading in securities using unpublished information in the market. The Company's directors are prohibited from trading in shares during the closed periods of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.

(II) Operations of the Audit Committee:

The Committee met 5 times (A) over the past year (2025) and attendance (seating) of independent directors in the meetings is shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Ratio of attendance in person (%) (B/A) (Note)	Remarks
Independent Director	Chao Jang, Jing	5	0	100	Re-elected (Expected attendance: 5 meetings)
Independent Director	Tseng Peifen	3	0	100	Newly appointed on 2025.6.18 (Expected attendance: 3 meetings)
Independent Director	Stan Tong	3	0	100	Newly appointed on 2025.6.18 (Expected attendance: 3 meetings)
Independent Director	Chih Yuan Lu	2	0	100	(Dismissed on 2025.6.18) (Expected attendance: 2 meetings)
Independent Director	Hsueh Yu Lo	2	0	100	(Dismissed on 2025.6.18) (Expected attendance: 2 meetings)

Other details to be documented:

I. When the operation of the Audit Committee is found with one of the following conditions, the date, session No., details of proposals, objection, qualified opinion or significant recommendation from independent directors, decisions made by the Audit Committee, and how the Company addressed opinions from the Audit Committee in the Audit Committee meeting shall be stated.

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

Audit Committee meeting date/term and session	Agenda and follow-up	Objection, qualified opinion or significant recommendation from independent directors
2025.03.21 14th meeting of the 3rd term	1. 2024 “Internal Control System Effectiveness Evaluation” and “Internal Control System Statement”	None
	2. 2024 individual financial statements and consolidated financial statements	None
	3. 2024 Business Report	None
	4. Distribution of 2024 Earnings	None
	5. Appointment and remuneration of 2024 CPA, pre-approval of non-assurance services, and suitability/independence assessment	None
	6. 2024 Review Report from the Audit Committee	None
	Decisions made on March 21, 2025 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference. How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.	
2025.05.09 15th meeting of the 3rd term	1. Consolidated financial statements for the first quarter of 2025	None
	Decisions made on May 09, 2025 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference. How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.	
2025.08.08 1st meeting of the 4th term	1.Consolidated financial statements for the second quarter of 2025	None
	2.Change of signing CPA of Ernst & Young	None
	Decisions made on August 08, 2025 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference. How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.	

Audit Committee meeting date/term and session	Agenda and follow-up	Objection, qualified opinion or significant recommendation from independent directors
2025.11.07 2nd meeting of the 4th term	1. Consolidated financial statements for the third quarter of 2025.	None
	2. Amendment of “Regulations Governing Financial and Business Transactions Between Related Parties” and repeal of “Related Party Transactions of the way to Expose”	None
	3. Non-assurance services provided by Ernst & Young and its affiliates	None
	Decisions made on November 07, 2025 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.	
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.	
2025.12.23 3rd meeting of the 4th term	1. 2026 Internal Audit Plan.	None
	2. Recognition of asset impairment losses	None
	Decisions made on December 23, 2025 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.	
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.	
2026.03.13 4th meeting of the 4th term	1. 2025 “Internal Control System Effectiveness Evaluation” and “Internal Control System Statement”	None
	2. 2025 consolidated financial statements and individual financial statements	None
	3. 2025 Business Report	None
	4. Distribution of 2025 Earnings	None
	5. Appointment and remuneration of 2026 CPA, pre-approval of non-assurance services, and suitability/independence assessment	None
	6. 2025 Review Report from the Audit Committee	None
	Decisions made on March 13, 2026 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.	
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.	
2026. 5th meeting of the 4th term	2026 Q1 Consolidated Financial Statement.	None
	Decisions made on May 8, 2026 by the Audit Committee: The proposal was approved unanimously by all attending members as is and was submitted to the Board of Directors for reference.	
	How the Company addressed opinions from the Audit Committee: The proposal was approved unanimously by all attending directors as is.	
<p>(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors. There was no conflict of interest.</p> <p>II. Details, including names of independent directors, proposals, reasons for conflict of interest, and voting, of circumstances where independent directors recuse themselves due to conflict of interest: There was no conflict of interest.</p> <p>III. Communications between the independent directors and the Internal Audit Manager and the CPAs (on important matters concerning the Company’s financial and business conditions, the</p>		

approach and the outcome, etc.)

(I) Internal Audit Manager:

The Audit Manager periodically submits the audit report to be reviewed by respective independent directors on a monthly basis and convenes internal control deficiency reflection meeting each year to discuss internal control issues.

In 2025, one meeting was held between the independent directors and the Audit Manager, during which the Audit Manager reported independently on audit findings and follow-up improvement measures.

In 2025, the Audit Manager attended 2 Audit Committee meetings to report in person to the independent directors on the results of internal control self-assessments and the preparation of the internal audit plan. The Audit Manager attended 6 Board meetings to report in person to the independent directors on audit findings and follow-up actions.

Date	Summary of communication highlights	Opinions from independent directors	Remarks
2025/03/21	1. Summary report on 2024 internal control self-assessment and audit deficiencies.	No additional comments from the independent directors.	Internal control deficiency review meeting (private meeting)
2025/03/21	1. Report on 2024 internal control self-assessment findings. Formulation of internal control system declaration.	The proposal was approved as is unanimously.	Audit Committee and Board of Directors
2025/03/07 2025/03/21 2025/05/09 2025/08/08 2025/11/07 2025/12/23	Report on implementation status of audits and tracking of improvements each month.	No additional comments from the independent directors.	Board of Directors
2025/12/23	1. Report on the preparation of the 2026 Internal Audit Plan.	The proposal was approved as is unanimously.	Audit Committee and Board of Directors

(II) CPAs:

1. One separate communication with CPAs took place at least once a year.

2. CPAs are invited to attend Audit Committee meetings to communicate with independent directors face to face on matters such as the accounting system, internal control, operational status, and financial statement audit / review results.

3. Independent directors may communicate with the CPAs directly if necessary and may call for a meeting at any time in case of any major abnormality.

Date	Summary of communication highlights	Opinions from independent directors	Remarks
2025/03/21	1. CPAs' independence and pre-approval of non-assurance services 2. Contents of the management representation letter 3. Implementation and outcome of internal control tests 4. Key audit matters 5. 2024 individual and consolidated financial statements and expected audit opinions 6. Analysis of major financial data 7. Description on Audit Quality Indicators (AQI) 8. Regulatory updates	Acknowledged with no further comments or recommendations	Audit Committee
2025/05/09	1. Review of the financial statements for the first quarter of 2025 2. Applicable regulatory updates	Acknowledged with no further comments or recommendations	Audit Committee

Date	1.Summary of communication highlights	Opinions from independent directors	Remarks
2025/08/8	2.Review of the financial statements for the second quarter of 2025 3.Explanation of change in engagement partner 4.Applicable regulatory updates	Acknowledged with no further comments or recommendations	Audit Committee
2025/11/07	1.Explanation of the review of financial statements for the third quarter of 2025 1.2.Updates on securities and tax regulations	Acknowledged with no further comments or recommendations	Private meeting between independent directors and CPAs
2025/11/07	1.Review of the financial statements for the third quarter of 2025	Acknowledged with no further comments or recommendations	Audit Committee
2025/12/23	1.Audit scope and significant risks for 2025 financial statements 2.Implementation strategy for the internal control test 3.Preliminary key audit matters 4.Audit items and schedule 5.Related-party transactions	Acknowledged with no further comments or recommendations	Audit Committee

IV. Overview and highlights of tasks performed throughout the year:

(I) The Audit Committee works mainly to supervise the following:

1. Adequate expression of the Company's financial statements.
2. Selection (Dismissal) and independence and performance of CPAs.
3. Effective implementation of corporate internal control.
4. Corporate compliance with related laws and regulations and rules.
5. Control over current or potential risks for the Company.

(II) The Audit Committee met 5 times in total in 2025. Highlights of tasks already completed this year are as follows:

1. Assessment of the effectiveness of the internal control system.
2. Annual and quarterly financial statements.
3. Delegation and compensation of CPAs.
4. Suitability and independence of CPAs.
5. Other material matters as may be required by this Corporation or by the competent authority.

Note: *In the event that independent directors resign before the end of a fiscal year, the date of resignation shall be indicated in the remarks field. The ratio of attendance in person (%) is calculated by the number of Audit Committee meetings held during service and the attendance in person.

*In the event that independent directors are re-elected before the end of a fiscal year, both the new and old independent directors shall be listed and whether one is new or old or is serving a second term and the date of the re-election shall be indicated in the remarks field. The ratio of attendance in person (%) is calculated by the number of Audit Committee meetings held during service and the attendance in person.

(III)Corporate governance status and departure from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons:

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company prepared its corporate governance principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and disclosed them on the Market Observation Post System and the Company's website.	Compliant.
II. Shareholding structure and shareholders' rights				
(I) Does the company establish internal operating procedures for handling shareholder suggestions, questions, disputes or lawsuits and implement the procedures?	V		(I) The Company has a responsible unit for stock affairs and a spokesperson system to address related issues. For legal questions, if any, they will be handled by the Legal Office.	Compliant.
(II) Does the company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?	V		(II) The Company does have a list of major shareholders that have control over the Company and the ultimate owners of these major shareholders and disclose it as required by law.	Compliant.
(III) Has the company established and implemented risk management and firewall mechanisms with its associated enterprises?	V		(III) 1. The finance of the Company and that of each of the affiliates are separate from each other. 2. The Company complies with applicable laws and regulations and has established and implemented policies such as the "Regulations for the Supervision and Management of Subsidiaries" and the "Procedures Governing Financial and Business Transactions Between Related Parties."	Compliant.
(IV) Has the company established internal rules against insiders trading with undisclosed information?	V		(IV) The Company has established the "Regulations for Prevention of Inside Trading" and conducts annual training for directors, managerial officers, and employees to prevent insider trading.	Compliant.
III. Composition and Duties of the Board of Directors				
(I) Does the Board of Directors have a diversification policy, substantial management	V		(I) The Corporate Governance Best Practice Principles of the Company have already defined the	Compliant.

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
objectives in place and enforce them?			<p>diversification policy with regard to the composition of the Board of Directors. During the 2025 re-election of directors, the Company honored that diversification essence while recommending and electing directors and enforced the gender equity policy to include female directors.</p> <p>(Independent) Directors of the Company specialize in their respective fields and contribute to the Company's developments and operations to a certain extent.</p>	
(II) In addition to establishing a Compensation and Remuneration Committee and an Audit Committee, which are required by law, is the Company willing to also voluntarily establish other types of functional committees?	V		(II) The Company has set up the Compensation and Remuneration Committee and the Audit Committee as required by law and the remainder of corporate governance is the responsible of each department reflective of its function. Other functional committees will be set up following evaluation as needed in the future.	No major difference.
(III) Does the Company devise Board of Directors Performance Evaluation Guidelines and the evaluation method, periodically perform the evaluation each year and submit findings from the performance evaluation to the Board of Directors, and apply them while deciding the compensation and remuneration for individual directors and whether or not to continue nominating and electing a specific director?	V		(III) The Company has defined its Rules for Performance Evaluation of the Board of Directors and related evaluations are performed as required by the Rules.	Compliant.
(IV) Does the Company periodically evaluate the level of independence of the CPA?	V		(IV) The Company evaluates the independence and suitability of the CPAs annually. In addition to requesting the CPAs to provide a "Declaration of Independence" and "Audit Quality Indicators (AQIs)", it also evaluates their independence and suitability in accordance with the criteria set out in the evaluation report (refer to the table on page	Compliant.

Assessment Item	Operational status (Note)		Summary	Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No		
			30). The Company confirmed that the CPAs have no other financial interests and business relationships with the Company except for the fees of certification and tax cases, and that there are no second-degree relationships between the CPAs and the management. The CPAs and the firm have a certain level of audit experience, training hours, and quality control with reference to the AQIs. The evaluation in 2025 was discussed by the Audit Committee and the Board of Directors on March 21, 2025. It was resolved that the appointed CPAs had passed the evaluation of suitability and independence and were qualified to act as the Company's CPAs.	
IV. Does the Company listed on the TWSE or TPEX have a suitable number of competent corporate governance staff in place to take charge of corporate governance-related affairs (including without limitation providing information necessary for directors and supervisors to perform their duties, helping directors and supervisors comply with laws and regulations, organizing board meetings and general shareholders' meetings, handling business registration and any change of registration, and compiling minutes of board meetings and general shareholders' meetings)?	V		<ol style="list-style-type: none"> 1. The director of the Secretary of the Board serves as the Corporate Governance Officer of the Company. 2. The Company has the Secretary of the Board in place to provide directors with the information required for them to perform duties, address matters related to Board meetings and shareholders' meetings and prepare meeting minutes as required by law. The Company has a responsible unit to take care of registrations for the Company. 	Compliant.

Assessment Item	Operational status (Note)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
V. Has the Company established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a dedicated stakeholder area on the company website, as well as appropriately responded to important corporate and social responsibility issues of concern to stakeholders?	V		The Company has set up an exclusive section on its website for stakeholders and one for investors to adequately respond to important issues concerning stakeholders. The Company also reported on communication with stakeholders at the meeting of the Board of Directors on May 09, 2025.	Compliant.
VI. Has the Company hired a professional agency to handle tasks and issues related to holding the shareholder's meeting?	V		The Company authorizes the professional agency, Grand Fortune Securities Co., Ltd., to take care of respective stock affairs and there are the Regulations on Shareholders Service in place to govern related affairs.	Compliant.
VII. Disclosure of Information				
(I) Has the Company established a corporate website to disclose information regarding the Company's financial, business and corporate governance status?	V		(I) The company has, on its website (www.hong-tai.com.tw), disclosed its financial business and corporate governance information.	Compliant.
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	V		(II) The Company has assigned professionals to take charge of the collection and disclosure of information about the Company and has enforced the spokesperson system. In 2025, it also held the institutional investor conference and released related data as required.	Compliant.
(III) Does the Company announce and file annual financial statements within two months after the end of each fiscal year and announce and file financial statements for the first, second, and third quarters and operations in each month before the given deadline?	V		(III) The Company discloses its annual financial information within 75 days after the end of each fiscal year. It also announces and files its first-, second-, and third-quarter financial statements, as well as monthly revenue, in advance of the prescribed deadlines in accordance with applicable regulations. The shortening the annual report disclosure timeline to within two months will be evaluated as needed.	Compliant

Assessment Item	Operational status (Note)		Summary	Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No		
VIII.Does the Company have other information that contributes to better understanding of its corporate governance standing (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, training completed by directors and supervisors, implementation of risk management policies and risk evaluation criteria, implementation of customer policies, liability insurance policies purchased for directors and supervisors)?	V		<p>1.Currently, the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies established by the competent authority are referred to in principle and applicable laws and regulations are followed.</p> <p>2.The Company spontaneously arranges respective directors to receive continuing education relevant to corporate governance, finance, commerce, auditing, or law, among others, and disclose the information and upload it at the same time.</p> <p>3.The Company has already included the purchase of liability insurance for directors as part of its Articles of Incorporation and purchases liability insurance for its directors and important staff each year that is worth USD 5,000,000.00 in order to protect the rights of all shareholders and to reduce the operational risk for the Company. The latest insurance covers the period from August 21, 2025 to August 21, 2026, which was brought forth during the Board meeting on August 8, 2025 and was approved. Its implementation was presented during the Board meeting on November 7, 2025.</p> <p>4. The Company prepares respective systems and measures, such as the Employee Retirement System, group insurance for employees and their dependents, and employee educational training that takes place periodically or from time to time.</p> <p>5. The Company also sets up Investor Service on its website to facilitate inquiries from shareholders and updates it adequately.</p> <p>6. Supplier Relations: The Company has been maintaining optimal relations</p>	Compliant.

Assessment Item	Operational status (Note)		Summary	Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No		
			<p>with its suppliers.</p> <p>7. Stakeholders' Rights: Stakeholders may communicate bilaterally with the Company and provide the Company with advice in order to protect the legitimate benefits that both parties are entitled to.</p> <p>8. Attendance of Directors in Board Meetings: The Company notifies all directors of news about Board meetings as required and their attendance and seating in the meetings have been optimal. Such information is disclosed and uploaded concurrently.</p> <p>9. Implementation of Risk Management Policies and Risk Assessment Criteria: The internal control system and respective important management regulations of the Company need to be approved through Board meetings and be enforced accordingly and the Risk Management Meeting is called for periodically.</p> <p>10. Implementation of Customer Policies: Customer satisfaction surveys are conducted in respective business locations from time to time by respective departments and the customer complaint management mechanism is established accordingly to protect the rights of customers.</p>	
<p>IX. Describe improvements in terms of the results of the Corporate Governance Evaluation System in recent years and propose areas and measures to be given priority where improvement will be needed. (Not required if the Company is not included in the assessment)</p> <p>The Company was rated among top 51% to 65% in 2025. In the future, for items with points lost, efforts will be continued to evaluate room for improvement in order to reinforce its corporate governance capability and to enhance information transparency for the sake of ensuring the rights of shareholders.</p>				

Note 1: With "Yes" or "No" checked, the operational status shall be specified in the "Summary" field.

(IV) Composition, Duties, and Operation of the Compensation and Remuneration Committee:

1. Profile of Compensation and Remuneration Committee Members:

Identification Type (Note 1)	Criteria Name	Professionalism and experience (Note 2)	Independence (Note 3)	Number of other public companies in which the member also serves as a member of their compensation and remuneration committee
Independent Director (Convener)	Chao Jang, Jing	Master of in Economics, California State University, USA Current convener of the Company's Audit Committee and Compensation and Remuneration Committee, as well as Chief Financial Officer of DerMauShin Capital Co., Ltd. Possesses commercial, legal, financial, accounting and other work experiences required to support corporate operations. Certified Public Accountant in the United States, Taiwan and China.	Fulfillment of respective independence criteria below for the two years prior to inauguration and during service: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company of any of its affiliates (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations) (3) Not a natural person shareholder who, in person or in someone else's name, or whose spouse or underage child holds more than 1% of the Company's outstanding shares or is a Top-10 natural-person shareholder of the Company. (4) Not the spouse or a relative within the second degree of kinship, or a direct blood relative within a third degree of kinship of the manager listed in (1) or the person listed in (2) or (3). (5) Not a director, supervisor, or employee of the institutional shareholder that directly holds at least 5% of outstanding shares of the Company, is one of the Top 5 shareholders of the Company or has a representative to serve as the director or supervisor of the Company in compliance with Article 27 Paragraph 1 or 2 of the Company Act (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (6) Not a director, supervisor, or employee of another company that holds a majority of the	None
Independent Director	Tseng Peifen	Department of Finance, National Taiwan University graduate Current member of the Company's Audit Committee and Compensation and Remuneration Committee, with commercial, financial, accounting, and other experiences required to support corporate operations, specializing in corporate finance and financing planning, and possessing rich experience in industrial planning.	Fulfillment of respective independence criteria below for the two years prior to inauguration and during service: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company of any of its affiliates (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations) (3) Not a natural person shareholder who, in person or in someone else's name, or whose spouse or underage child holds more than 1% of the Company's outstanding shares or is a Top-10 natural-person shareholder of the Company. (4) Not the spouse or a relative within the second degree of kinship, or a direct blood relative within a third degree of kinship of the manager listed in (1) or the person listed in (2) or (3). (5) Not a director, supervisor, or employee of the institutional shareholder that directly holds at least 5% of outstanding shares of the Company, is one of the Top 5 shareholders of the Company or has a representative to serve as the director or supervisor of the Company in compliance with Article 27 Paragraph 1 or 2 of the Company Act (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations). (6) Not a director, supervisor, or employee of another company that holds a majority of the	None

Criteria		Professionalism and experience (Note 2)	Independence (Note 3)	Number of other public companies in which the member also serves as a member of their compensation and remuneration committee
Identification Type (Note 1)	Name			
Independent Director	Stan Tong	<p>Department of Economics, National Taiwan University graduate</p> <p>Currently serves as a member of the Company's Audit Committee and Compensation and Remuneration Committee, and concurrently holds the positions of Deputy Spokesperson, Head of Investor Relations, and Special Assistant to the General Manager at Global Mixed-Mode Technology Inc., with professional experience required for the Company's business operations.</p>	<p>Company's director seats or shares with voting rights and is controlled by a single person (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations).</p> <p>(7) Not a director, supervisor, or employee of a company or institution that has the same chairman, president, or the equivalent position holder as the Company or is owned by the spouse of the person holding the said position (unless it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations).</p> <p>(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have a financial or business relationship with the company. (Unless the said specific company or institution holds at least 20% and no more than 50% of outstanding shares of the Company and it is served by an independent director set up by the Company and its parent company, subsidiaries, or subsidiaries that belong to the same parent company in compliance of the Securities and Exchange Act or local regulations).</p> <p>(9) Not the owner, a partner, director, supervisor, manager, or the spouse of a professional, sole proprietorship, partner, company, or institution providing auditing service to the Company or any of its affiliates or other related services such as commerce, legal affairs, finance, and accounting with accumulated rewards over</p>	None

Criteria		Professionalism and experience (Note 2)	Independence (Note 3)	Number of other public companies in which the member also serves as a member of their compensation and remuneration committee
Identification Type (Note 1)	Name			
			<p>the past two years yet to exceed NTD 500,000. This, however, does not include members of the Compensation and Remuneration Committee, the Public Acquisition Review Committee, or the Special Merger and Acquisition Committee that function in compliance with applicable laws and regulations such as the Securities and Exchange Act or the Business Mergers And Acquisitions Act.</p> <p>(10) Not the spouse or a relative within the second degree of kinship of other directors.</p> <p>(11) Without any of the conditions under Article 30 of the Company Act.</p> <p>(12) Not a governmental, juridical person or its representative as defined under Article 27 of the Company Act.</p>	

2.Operation of Compensation and Remuneration Committee:

(1)The Company's Compensation and Remuneration Committee is comprised of three persons.

(2)Current Term for the Members: June 18, 2025 through June 17, 2028.

(3) Attendance: From January 1 to December 31, 2025, the Compensation and Remuneration Committee met 2 times in total; all members attended the meetings in person.

The Compensation an Remuneration Committee met 2 times in 2025; the mean attendance rate was 100%. Attendance of members is shown below:

Title	Name	Attendance in person	Attendance by proxy	Actual attendance
Committee Member (Convener)	Chao Jang, Jing	2	0	2
Committee Member	Tseng Peifen	1	0	1
Committee Member	Stan Tong	1	0	1
Committee Member	Chih Yuan Lu	1	0	1
Committee Member	Hsueh Yu Lo	1	0	1

3.Responsibilities of the Compensation and Remuneration Committee

Committee members must exercise the care of a prudent administrator to fulfill the following duties, and offer recommendations for discussion by the Board of Directors.

(1) Defines and regularly reviews policies, systems, standards, and structures related to the

performance evaluation and the salary and compensation of directors, and managers.

(2) Periodically evaluate and determine the Company's remuneration to directors and managers.

4. Information on Compensation and Remuneration Committee Meetings

Information about the Company's compensation and remuneration discussed and evaluated during the meetings of the Company's Compensation and Remuneration Committee over the past year is as follows:

Date of Meeting	Agenda and follow-up	Results of resolutions	The Company's handling of the opinions of the Remuneration Committee members.
2025.05.09	<ol style="list-style-type: none"> 1. Report decisions made of matters discussed in the previous meeting and the implementation status. 2. Review the proposal on distribution of "agreed performance prize" to managers for 2024. 3. Review the proposal on the distribution of remuneration to directors and that to managers/employees for 2024. 4. Periodically reflect upon and evaluate policies, systems, criteria, and structures of compensation and remuneration to directors and managers. 	After it was discussed by the members, the case was approved as is.	It was submitted to the Board of Directors and approved by all attending directors.
2025.12.23	<ol style="list-style-type: none"> 1. Report decisions made of matters discussed in the previous meeting and the implementation status. 2. Review the proposal on distribution of year-end bonus to managers for 2025. 3. Periodically reflect upon and evaluate policies, systems, criteria, and structures of compensation and remuneration to directors and managers. 	After it was discussed by the members, the case was approved as is.	It was submitted to the Board of Directors and approved by all attending directors.

5. Other details to be documented:

If the Board of Directors did not adopt or revise the recommendations of the compensation committee, it should describe the date of the Board meeting, term of the Board, agenda item, resolutions adopted by the Board, and actions taken by the Company in response to the opinion of the compensation committee (If the compensation and remuneration approved by the Board of Directors is superior to that advised by the Compensation and Remuneration Committee, the differences and the underlying causes shall be specified): None.

(V) Composition, Duties, and Operation of the Nomination Committee: Not available now.

2025 Annual Evaluation Form for the Independence and Suitability of CPAs

Date Evaluated: 2025/3/6

Cause of Evaluation: Initial Routine

(I) Profile:

Name of CPA:	Henry Liu and Steven Chang	Name of Firm:	Ernst & Young
Major Education and Experience:	Professionalism: CPA of ROC		

(II) Details of evaluation:

Defined according to Article 47 of the Certified Public Accountant Act and the Communique 10 of the Fundamental Principles of the Practice of a Certified Public Accountant:

Item	Result
1. Absence of replacement for seven years up to the latest certification. At least a two-year interval after rotations before returning to office.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. No major financial interest with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. No inappropriate or close business relationship with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4. CPAs have not accepted any gifts of material value from the Company and the Company's directors and managers.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. CPAs do not hold shares of the Company and its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. No mutual financing or guarantee with the Company and its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. No relationship with the Company or its affiliates in terms of joint investment or sharing of interests.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8. No frequent position with fixed salary held in the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9. CPAs do not have any managerial function involving the decision-making process of the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10. No part-time involvement in other businesses that may lead to loss of independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11. No relationship with the Company's management as spouse, direct blood relative, or indirect blood relation within the second degree of kinship.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12. Compliance with the independence requirements of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 and receipt of a "Declaration of Independence" issued by CPAs.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
13. Provision of Audit Quality Indicators (AQI) information for the most recent year.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
14. So far, there has been no disciplinary action or violation of the principle of independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) Work Performance and Plan:

Item	Result
1. Completion of financial and tax certifications of the Company for all periods on schedule.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Completion of financial and tax certifications of the subsidiaries and investees for all periods on schedule.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Providing the Company with financial and tax compliance consultation services from time to time.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(IV) Evaluation Outcome:

Upon assessment, it is confirmed that CPAs Henry Liu and Steven Chang meet the requirements of independence and suitability, and are capable of providing the Company with timely and appropriate financial and tax advice and certifications sufficient to qualify as the Company's CPAs.

Evaluated by: Pan Shao-Ping at the Management Service Department

(VI) Differences in Promoting Sustainable Development and Departure from the Sustainable Development Best Practice Principles for TWSE/TPEX-listed Companies and Reasons:

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company created a governance structure for promoting sustainable developments and set up a unit to (exclusively or also) take charge of promoting sustainable developments and the Board of Directors is to authorize high-ranking management to address it and how does the Board of Directors provide supervision?	V		I. The Company has established a Sustainability Promotion Task Force, convened by the President, who is appointed and supervised by the Board of Directors. Under this task force are the Sustainability Projects Group, Corporate Governance Group, Environmental Sustainability Group, and Social Engagement Group, each responsible for carrying out specific initiatives. These groups monitor global sustainability trends and systematically analyze the Company's risks and opportunities related to sustainability issues across Governance, Environment, and Social (ESG) dimensions. By integrating these analyses with the Company's core operations, product innovation, and service development, they formulate strategic directions and implementation plans for sustainable development. Progress and implementation results are reported to the Board of Directors on a regular basis. The Company actively plans and implements ESG projects and carbon reduction management in strict compliance with regulations of the competent authorities. In addition to preparing and publishing an ESG/sustainability report annually, under the implementation of carbon reduction management	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>II. Does the Company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies based on the principle of materiality?</p>	V		<p>projects, the Company has, in the current year, completed its greenhouse gas inventory as scheduled and established a carbon pricing mechanism as a management tool for climate-related planning and investment decision-making. The Company continues to evaluate strategies to further reduce carbon emissions, thereby enhancing effective carbon management and resource allocation. The relevant implementation results were reported to the Board of Directors in August 2026, including the completion of the 2025 Sustainability Report.</p> <p>II. Performance results at major operating locations for December. The risk assessment is focused mainly on the Company and primarily in the region of Taiwan. The Company's relevant sustainability topics include GRI Standards, SASB standards and SDGs. Following evaluation by external experts and discussions in respective departmental meetings of the Company, the significance and likelihood of impacts of the issues were explored through prior operational experiences. These are then analyzed and compiled into 11 material sustainability topics of the Company, as detailed in (IV) Risk Assessment (pages 43–45).</p>	Compliant.
<p>III.Environmental Issues (I) Has the Company established a proper</p>	V		<p>(I)Complying with government policies and environmental laws, the Company sets the</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>environmental management system based on the characteristics of its industry?</p> <p>(II) Is the Company committed to improving the energy efficiency and using recycled materials which have a low impact on the environment?</p>	V		<p>targets, objects, and solutions of environmental management and accordingly continues with waste reduction, prevention against pollution, and recycling of resources throughout its manufacturing process. In addition, by means of the periodic internal audit and management review procedures, achievements in implementation are evaluated to fulfill the goal of sustainable environmental development.</p> <p>(II)The Company is devoted to improving the efficiency of energy used during production and continues with its energy conservation and carbon reduction initiatives. In line with objectives of corporate social responsibilities, green production and sustainable management, the international energy management systems have been applied in all plants. Through the establishment of such management standards and methodologies, the Company has developed a framework of necessary procedures that enables it to enhance energy efficiency to an optimal level without disrupting existing operations. Due to the characteristics of its manufacturing processes, the Company currently faces limitations in the use of renewable materials. However, its primary raw material, copper, is highly reusable and recyclable. Among non-renewable resources, copper has one of the highest recycling rates and plays a</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action?	V		critical role in the circular economy. For the sake of reducing pollution, in its manufacturing process, the Company seeks the maximum efficiency in the use of raw materials and supplies and energies and resources in order to bring down the volume and conserve energy. Meanwhile, toxic materials are avoided or reduced to minimize toxic discharge from the source. As far as products are concerned, research and development are continued to comply with the international green product standards and impacts on the environment are examined. In the prevention against pollution, respective pollution preventive equipment is properly operated and emissions are comprehensively monitored. Generated waste is processed as required by law and recycling for reutilization is prioritized to be resource-oriented and to reduce waste.	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>response to the potential impacts and challenges of climate change, the Company, in accordance with the TCFD (Task Force on Climate-related Financial Disclosures) framework, identifies and assesses the impact of climate change risks on its operations from the perspectives of governance, strategy, risk management, and performance indicators and objectives. The results of the climate risk assessment will facilitate the formulation of management strategies, greenhouse gas inventories, and carbon reduction plans. These plans will be implemented and evaluated by the designated energy management personnel and will be carried out upon approval by the Board of Directors. The Company is committed to reducing energy consumption and carbon emissions, improving carbon reduction performance, and regularly reports to the Board of Directors on the management of climate change-related risks and opportunities in order to achieve its sustainable development goals. A primary potential risk posed by climate change for the Company is interruption in the supply chain, rising costs of raw materials and supplies, and natural disasters such as floods because of typhoons. The Company also proactively explores new sources, organizes educational training on industrial safety, and utilizes energy more</p>	

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																														
	Yes	No	Summary																															
(IV) Has the Company taken inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and drawn up policies on greenhouse gas reduction, water reduction, or waste management?	V		<p>efficiently by building solar power-generating equipment in response.</p> <p>(IV) The Company keeps track of greenhouse gas emissions, amount of water used, and the weight of waste each year and discloses statistical data over the past 2 to -3 years in its ESG Report. The data on greenhouse gas emissions, water consumption and weight of waste are summarized in the table below. For more details, please refer to the Company's ESG Sustainability Report.</p> <table border="1"> <thead> <tr> <th>Year</th> <th colspan="2">Parent company Greenhouse gas emissions (tons CO2)</th> </tr> </thead> <tbody> <tr> <td rowspan="4">2023</td> <td>Scope 1</td> <td>767.90</td> </tr> <tr> <td>Scope 2</td> <td>8,969.96</td> </tr> <tr> <td>Scope 3</td> <td>0</td> </tr> <tr> <td>Total</td> <td>9,737.86</td> </tr> <tr> <td rowspan="4">2024</td> <td>Scope 1</td> <td>275.83</td> </tr> <tr> <td>Scope 2</td> <td>6,774.52</td> </tr> <tr> <td>Scope 3</td> <td>1,381.58</td> </tr> <tr> <td>Total</td> <td>8,431.93</td> </tr> <tr> <td rowspan="4">2025</td> <td>Scope 1</td> <td>260.65</td> </tr> <tr> <td>Scope 2</td> <td>6,346.05</td> </tr> <tr> <td>Scope 3</td> <td>1,529.03</td> </tr> <tr> <td>Total</td> <td>8,135.74</td> </tr> </tbody> </table>	Year	Parent company Greenhouse gas emissions (tons CO2)		2023	Scope 1	767.90	Scope 2	8,969.96	Scope 3	0	Total	9,737.86	2024	Scope 1	275.83	Scope 2	6,774.52	Scope 3	1,381.58	Total	8,431.93	2025	Scope 1	260.65	Scope 2	6,346.05	Scope 3	1,529.03	Total	8,135.74	Compliant.
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	Yes	No	Summary	
IV. Social Issues (I) Has the Company, according to relevant	V		<p>important role in the management of environmental risk. To fulfill its responsibilities as a corporate citizen, the Company will continue to enforce the greenhouse gas reduction policy at the corporate and supply chain levels with substantial energy-saving and carbon reduction and water-saving measures.</p> <p>Related energy conservation and carbon reduction policies defined by the Company include the following:</p> <p>(1) Improve energy efficiency, reduce resource waste, and promote greening within plant facilities.</p> <p>(2) Promote various waste reduction and recycling projects.</p> <p>(3) Introduce green raw materials and environmentally friendly process technologies.</p> <p>(4) Conduct environmental assessments of suppliers.</p> <p>And, for the various types of waste that will impact the environment, to abide by governmental regulatory requirements, to prevent against air pollution, and to protect the living environment and public health, contracts are signed with legal professional clearance service providers as required by law for removing and recycling the waste and related data of waste are precisely collected and monitored.</p> <p>(I) The Company has the human rights policy statement in place and it is available on the</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
regulations and the international human rights conventions, formulated relevant management policies and procedures?			<p>official corporate website to declare that the Company follows applicable labor laws and regulations while protecting the legitimate rights of employees and respecting the internationally accepted basic human rights of workers; no conditions that jeopardize the fundamental rights of workers are allowed. The human resources policy of the Company also respects the protection of fundamental rights of workers with adequate management approaches and procedures in place.</p> <p>Substantial practices of the Company in the protection of human rights include: promote the company's human rights policy, set up a sexual harassment filing and investigation committee, conduct sexual harassment prevention education and training for directors, managers, and supervisors, and regularly arrange for doctors and nurses to visit the factory for consultation (number of consultations in 2025: 158 people), safety training, regular general health check-ups for employees in accordance with the law, etc.</p> <p>For the 2025 human rights protection-related education and training hours (including: human rights policy advocacy, labor safety education, health management and mental health, sexual harassment prevention and other related courses), 31 sessions were</p>	

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(II) Does the Company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure that business performance and results are reflected adequately in employee remuneration?	V		<p>held, with 565 participants and a total of about 970 hours.</p> <p>(II) The Company has established a reasonable compensation system, including specifying in the The Company has established a reasonable compensation system, including stipulating in its Articles of Incorporation that 2% to 8% of earnings, if any, shall be appropriated as employee remuneration. Of the aforementioned employee remuneration amount, no less than 60% shall be allocated to frontline employees, thereby ensuring that business performance is meaningfully reflected in employee compensation. In addition, the Company has implemented various bonus programs, employee promotion and transfer policies, and performance evaluation systems, forming a clear and effective reward and disciplinary framework integrated with the Company's corporate social responsibility policies. In 2025, the Company continued to implement a performance-based compensation policy. Individual salary structures were adjusted based on market salary levels, economic trends, annual performance evaluations, and employees' professional capabilities, with the aim of rewarding outstanding talent and maintaining market</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>competitiveness. For employees covered under the old pension scheme, actuarial reports prepared by professional actuaries are obtained to safeguard employees' future retirement benefits. For employees covered under the new pension scheme, the Company contributes the full statutory pension contribution at a rate of 6%. The Company places great importance on employee rights and welfare and is committed to maintaining a positive working environment, including providing care and support for employees from diverse groups. These initiatives include:</p> <ul style="list-style-type: none"> (1) Achieving a 100% target for the employment of Indigenous employees; (2) Achieving a 100% target for the employment of employees with disabilities, while tailoring suitable job assignments and workplace facilities to their needs; (3) Providing recruitment, development, retention, continuing education, and training opportunities for both local and foreign employees; and (4) Implementing health protection programs for female employees, enabling employees of all genders to work with peace of mind. <p>The Company has an Employee Welfare Committee in place and the welfare fund set aside for</p>	

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Does the Company provide a safe and healthy working environment and provide employees with regular safety and health training?	V		<p>2025 by the Company totaled NT\$7.74 million. It was meant as employee travel subsidies, birthday and three-festival gift money, wedding, child birth, and funeral allowances, among others.</p> <p>Talent is an important asset of the Company. In addition to promotion planning based on performance, development potential, organizational needs and career development intentions every year, salary adjustments are also made from time to time based on the Company's profitability, industry prospects and market salary surveys in order to maintain salary competitiveness to attract and retain talent.</p> <p>The Company adheres to the philosophy of sharing operating achievements with its employees. Each year, the Company grants annual bonuses, employee compensation and quarterly competition bonuses based on the overall operating performance, achievement of team goals, and individual employee contributions and performance.</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV) Has the Company established an effective career development and capability training program for employees?	V		<p>were arranged to provide consultation to 158 employees at the factory, and safety and health education and training were regularly implemented for employees. Related educational trainings of 2025 (including safety and health trainings, fire safety trainings, toxic chemical disasters unannounced drills, among others). For other related information, refer to Point 7.</p> <p>(IV) The Company provided various types of internal and external trainings to meet different needs, including orientation, professional skills, managerial ability, to help colleagues learn and grow continuously in a variety of ways. In addition, for important successors and potential prioritized cadres, the Company provides them with in-service training and send them to receive external training, have them to rotate among duties, or assign them with projects as needed in order to effectively improve their occupational capabilities.</p>	Compliant.
(V) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling, among others, of products and services, and does it establish relevant consumer or customer protection policies and grievance procedures?	V		<p>(V) Respective plants of the Company have been certified for the ISO 9001 series of international quality; the marketing and labeling of all products of the Company are based on applicable laws and regulations and international standards. The sales department of the Company, besides proactively addressing complaints filed</p>	Compliant.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(VI) Does the Company establish supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights? If so, describe the implementation results.	V		<p>by customers, spontaneously conducts customer satisfaction survey each year to know the issues and to protect the rights of customers.</p> <p>In addition, the Company has the “Personal Data Protection Management Guidelines” in place to ensure that the privacy of colleagues and customers is not disclosed.</p> <p>(VI) The Company has the Supplier Management Guidelines and the Supplier Management Procedure in place. Suppliers need to be investigated, evaluated and qualified before official business relationships begin. During investigation and evaluation, records of suppliers in terms of prior impacts on the environment or society will be paid attention to. The Company requires that major suppliers sign the Agreement for joint devotion to the enhancement of corporate social responsibilities, the environment, and integrity. If suppliers violate the Agreement with significant impacts, the Company will no longer renew the Agreement with the specific supplier.</p>	Compliant.
V. Does the Company prepare the Sustainability Report or other reports disclosing non-financial information of the Company by referring to international general		V	<p>V. At present, the Company refers to the following while preparing its ESG Report, which is yet to be authenticated by a third party:</p> <ol style="list-style-type: none"> 1. GRI Standards Reference Table. 2. Sustainability Accounting Standards Board (SASB) 	No major difference.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons																																		
	Yes	No	Summary																																			
principles or guidelines in the preparation of reports? Does the Company obtain third party assurance or certification for the reports above?			Reference Table. 3. TCFD climate-related financial information disclosure. 4. Taiwan Stock Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.																																			
VI. If the Company has established its own sustainable development principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies”, please specify the differences between how it actually takes place and what is defined in the Principles: The Company has established its Sustainable Development Best Practice Principles and no major differences are found.																																						
VII. Other key information useful for explaining status of corporate social responsibility practices: (I) Hong Tai Electric is located in Guanyin District, Taoyuan City. It has long been attentive to community development and social needs in the areas where it operates. Through on-site engagement and evaluation of local needs in Taoyuan, including disability care, child and youth protection, life education, and indigenous development, the Company actively supports the care of persons with disabilities and disadvantaged children and youth, promotes life education, and fosters the development of indigenous cultures. In doing so, the Company fulfills its commitment to local care while strengthening positive connections with surrounding communities. Upholding the spirit of fulfilling corporate social responsibility and with the goal of “Zero Hunger,” the Company allocates an annual budget for charitable donations. Through concrete actions, Hong Tai supports local social welfare and nonprofit organizations, assisting them in providing stable care, education, and social support services. The Company aims to leverage its corporate social influence to promote sustainable community development. In 2025, the Company donated a total of NT\$1 million. The recipients of these charitable contributions are shown in the table below:																																						
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	Yes	No	Summary	
<p>(II) Measures to protect employee personal safety and work environment and their implementation:</p> <p>1. Policy objectives of the Occupational Health and Safety (OHS) management system: The Company has implemented an OHS management system and established related OHS policy statements as below. These policies demonstrate the Company’s attitude and commitment toward maintaining a safe and healthy workplace for both outsiders and employees, and serve as the highest guiding principles for workplace environmental monitoring through full employee participation, thereby enhancing organizational cohesion.</p> <p>(1) Policy Statement “Compliance with regulations, risk reduction, full participation, and continuous improvement.” Hong Tai Electric pursues sustainable business operations and development. In line with international OHS trends, it aims to prevent occupational accidents, safeguard employee safety and health, ensure the safe operation of all workplaces, and achieve the goal of zero accidents. Comply with laws and regulations and customers’ or other relevant requirements; answer to the green environmental protection movement around the world; and create a sound workplace. Continue to improve, prevent against pollution, and prevent against risk factors for minimized costs associated with risk control. Create the environmental/occupational safety and health management system/organization and operating system to improve performance in environmental protection/occupational safety and health.</p> <p>(2) Goal The Company complies with OHS regulations and promotes full employee participation and accountability. It continuously improves safety and health equipment and the working environment, reduces equipment-related risks, implements preventive maintenance for machinery, and strengthens safety and health education and training to enhance employees’ knowledge and skills. In addition, the Company has established emergency response systems and conducts drills to minimize losses, with the goal of achieving zero major occupational injuries for employees.</p> <p>(3) Organization and Responsibilities of the Safety and Health Committee The Company has established a Safety and Health Committee under the Occupational Safety and Health Office to perform the following functions:</p> <p>1. Draft, coordinate recommend and review management plans. 2. Evaluate on-site safety and health management performance. 3. Review safety and health management matters related to contractors.</p> <p>2. Performance in Industrial Safety The Company has established an annual work plan for an expanded occupational safety audit team, led by the President as the chief convener, with the Management Service Department serving as the supervisory unit. The Occupational Safety and Health Office and department heads form the audit team. The Occupational Safety and Health Office compiles reports on matters pending improvement and submit</p>				

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	

them to the President and respective departments for the improvements to be made. Safety personnel and on-site supervisors conduct daily walk-through safety inspections. Improvement items identified during inspections are reviewed quarterly in safety audit meetings. In 2025 and 2026, the Company reported zero disabling injury incidents among both employees and contractors. In addition, inspections conducted by the Office of Labor Inspection resulted in no violations or penalties.

Occupational Safety and Health Audits	
1. Extended Occupational Safety Joint Audit Group	At least once a year
2. Occupational Safety Rounds Management	At least twice a day
3. Factory Affairs Department Rounds Management	At least twice a week
4. Supervisor Field Trip Management	At least twice a day

3. Equipment Management

The Company classifies equipment and manages it accordingly. All hazardous machinery and equipment are controlled as required by law and careful maintenance is performed on the machinery and equipment to ensure their safe operations. Hazardous machinery and equipment of Hong Tai Electric Industrial Co., Ltd. includes 4 sets of fixed cranes and 2 sets of high-pressure gas-specific equipment totaling 6 units. 4 of them were inspected throughout 2025.

4. 2025 Professional Occupational Safety and Health Licenses

License holder	Quantity	License holder	Quantity
Occupational safety and health administrator	6	Fire prevention manager	2
Class A occupational safety and health operation supervisor	2	Dust operation supervisor	2
Class B occupational safety and health operation supervisor	1	Oxygen-deprived operation supervisor	2
Operator of a forklift with a weight capacity of 1 ton and above	45	Ionizing radiation operator	3
Operator of a fixed crane with a weight capacity of 3 tons and above	14	Energy manager	1
Organic solvent operation supervisor	2	Class B air pollution control personnel	1
First-aid staff	8	Waste clearance professional technician	2
High pressurized gas-specific equipment operator	2		

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	

Hours of training on occupational safety and health completed over the past three years and headcount

Year	Headcount	Hours
2023	228	776
2024	237	645
2025	308	906

5. Performance in Industrial Safety

Disability-related injuries suffered by employees of the Company over the past three years		
Year \ Plant	Death	Disability
2023	0	1
2024	0	0
2025	0	0

6. For the implementation of respective ESG items of the Company, please refer to the Company’s website at <https://www.hong-tai.com.tw>-> ESG Sustainable Development->ESG Report.

(III) Ethical Corporate Management Policy and Solution:

- (1) In honor of its belief in ethical corporate management, the Company prepared the Guide to the Moral Behavior of Company’s Management and related regulations and policies, signed agreements externally, all of which are based on the principles of integrity and reciprocity and include reasonable contents, and proactively puts its commitment to ethical corporate management into action.
- (2) Major suppliers of the Company have signed the Commitment to Ethical Conduct. For employees that interact with outsiders, there are strict work regulations for them to follow and also the monitoring and auditing mechanisms to prevent against unethical conducts.
- (3) For parties that it does business with, the Company has the evaluation mechanism in place. Upon signing of an agreement, the principles of integrity and reciprocity are honored, too, to render reasonable contents and the agreement requirements are proactively fulfilled.
- (4) The Company constantly instills ideas about ethical corporate management in its supervisors at all levels and has precisely implemented the policy about recusal in case of conflicting interests. In cases of conflicts of interest, one may report it to the Audit Office or the President’s Office directly.
- (5) The Company encourages its employees to report on illegal acts, and the whistleblower will be rewarded if it is found to be true. To report illegal acts, one can do so directly to the supervisor he / she reports to or to the Auditing Office or the President’s Office according to the “Whistleblowing Standards”. Such reports will be treated highly confidential in order to protect against improper treatment borne by the whistleblower for reporting.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	

(IV) Risk Assessment

Major Issue	Item	Strategy
E - Environment	Energy	<ol style="list-style-type: none"> 1. Recycling of resources: Recycle resources for use to reduce waste of resources. 2. Continuous improvement: Continue to improve the environmental management system to enhance environmental performance. 3. Work with the Bureau of Energy under the Ministry of Economic Affairs as exploring sources of income and reducing expenses is a duty expected of a business.
	Emission	<ol style="list-style-type: none"> 1. Environmental management: HONG TAI is devoted to reducing “impacts on the environment as a result of its corporate activities, products, and services” and abides by the following environmental policies accordingly. 2. Compliance with regulatory requirements: Comply with regulatory requirements on environmental management such as air pollution, water pollution, waste, toxic chemicals, and noise control. 3. Fulfillment of obligations: Fulfill obligations expected of HONG TAI, including commitments to customers, government agencies, the management, and employees, among other stakeholders. 4. Prevention against pollution: Select suitable raw materials/regular materials or processes to avoid or reduce environmental pollutions; Set up pollution prevention equipment or adopt appropriate measures to avoid or reduce environmental pollution. 5. Energy conservation and waste reduction: Reduce the use of energy and the amount of waste generated.
	Waste	The Company follows domestic and international laws and regulations in its operations and pays attention to developmental trends of domestic and international policies as well as regulatory changes at all times in order to adjust related operational strategies and to fulfill sustainable management goals.
	Customer service management	Satisfy customers' requirements, implement practical and pragmatic management, pursue system excellence, and create win-win situation for both supply and demand.
	Occupational safety and health	<ol style="list-style-type: none"> 1. Promote the safe culture at HONG TAI and consolidate basic education on occupational safety. 2. Define the safety operating criteria and precisely abide by safety and health requirements. 3. Reinforce supervisor dynamic management to eliminate potential hazardous factors. 4. Improve environmental machinery equipment and work all out in the pursuit of essential safety. 5. Perform precise spontaneous inspections to resolve equipment abnormalities and failures. 6. Reinforce fire prevention safety measures to make the best of fire prevention features. 7. Request safety and health facilities from contractors for improved safety at work of contractors.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	

Major Issue	Item	Strategy
S - Society	Innovative product and technology	Innovation and advancement, integrity and honesty, sustainable management. Quality Policy --- The quality policy featuring [Quality of HONG TAI assures customers] is a substantial extension of the Company's management belief. While pursuing corporate sustainable management, getting to the bottom of everything and constantly improving the overall corporate quality management are the only way to hopefully best protect the quality of products and services provided to customers and fulfillment of customers' needs is the underlying theme of corporate operation. Environmentally-friendly policy ---- For the sake of continuous management and to answer to the green tendency, besides comprehensive lead-free products, the Company promotes HSF (hazardous substances-free) management of its products. Their control is in compliance with international regulatory requirements. The hazardous substance process management (HSPM) was enforced in compliance with IECQ QC080000 in 2009 and the IECQ QC080000 certificate was received in December 2009.
	Customer health and safety	The power business of the Company constantly advances by adjusting the deficiencies through its customer satisfaction survey system. Optimal customer relations are maintained reciprocally.
	Labor-management and worker/ employer relations	<ol style="list-style-type: none"> 1. Release human rights policy declaring that efforts will be made so that everyone is entitled to fair and respectful treatment. 2. Set up the Employee Welfare Committee to maximize employee welfare. 3. Periodically hold the labor-management meeting; any issue on labor-management relations is sufficiently discussed and communicated between the labor representatives and the management. The right of labor representatives to negotiate work conditions is respected. 4. Create a channel to facilitate periodic communications and dialogs with employees because they are entitled to gain information and express opinions regarding the operational and management activities and decisions of the Company. Employees shall also be notified in a reasonable way of operating activities that may bring about significant impacts. 5. Set up as required by law the Labor Retirement Reserve Supervisory Committee to take charge of managing the retirement reserve.

Action Item	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
G - Governance	Economic performance			<ol style="list-style-type: none"> 1. Compliance with regulatory requirements: Comply with regulatory requirements on environmental management such as air pollution, water pollution, waste, toxic chemicals, and noise control. 2. Fulfillment of obligations: Fulfill obligations expected of HONG TAI, including commitments to customers, government agencies, the management, and employees, among other stakeholders. 3. Prevention against pollution: Select suitable raw materials/regular materials or processes to avoid or reduce environmental pollutions; Set up pollution prevention equipment or adopt appropriate measures to avoid or reduce environmental pollution. 4. Energy conservation and waste reduction: Reduce the use of energy and the amount of waste generated. 5. Recycling of resources: Recycle resources for use to reduce waste of resources. 6. Continuous improvement: Continue to improve the environmental management system to enhance environmental performance. 7. Protect the industry under the belief in “integrity and honesty”. Improve competitive advantages on the market with the commitment to “innovation and advancement”. 8. Diversified operation: Form international investment strategic alliance in order to improve competitive advantages on the market.
	Anti-corruption			Ethical corporate management, eradication of bribery, banned acceptance of gifts.
	Regulatory Compliance			The Company follows the requirements of the Air Pollution Control Act. We follow regulatory requirements, fulfill our obligations, prevent against pollution, conserve energy and reduce waste, and recycle resources.

(VII) Implementation status of climate-related information:

Item	Implementation Status
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Board of Directors plays a supervisory and strategic role in the Company's sustainable development (ESG) management. To strengthen climate-related governance, the Company has established a Sustainability Team convened by the General Manager. Based on the TCFD (Task Force on Climate-related Financial Disclosures) framework, the team identifies and evaluates the impacts of climate change on operations from the perspectives of governance, strategy, risk management, as well as metrics and targets.</p> <p>The assessment results serve as the foundation for developing relevant management strategies, greenhouse gas inventories, and carbon reduction plans. These initiatives are implemented and monitored by the designated energy management specialist and are carried out in accordance with the Company's corporate governance procedures.</p> <p>Through this mechanism, the Company continuously enhances energy efficiency and promotes carbon emission reduction. Climate-related risks and opportunities, together with the implementation progress of related actions, are regularly reported to the Board of Directors to further strengthen the Company's sustainable development efforts.</p>
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>1. Risk impacts:</p> <p>Short-term – transition risks:</p> <ul style="list-style-type: none"> (1) Regulatory risk: In response to climate change risks and the trend of low-carbon transition, companies need to invest more in energy resource transformation and equipment upgrades to meet legal compliance requirements, which will increase working capital and may affect the company's revenue and cash flow in the short term. (2) Market risk: The low-carbon transition and increased consumer awareness of environmental protection have led to changes in product market demand, which can easily result in low competitiveness of existing products, causing declining sales and inventory losses. <p>Medium- to long-term – physical risks:</p> <p>Climate change may have multi-faceted impacts. While short-term financial effects may be limited, in the future, they may involve employee health, equipment operations and the use of energy resources, resulting in increased operating expenses and capital expenditure.</p> <ul style="list-style-type: none"> (1) Employees: Physical and mental risks caused by the heat of the factory in summer, or incidents that affect attendance, absence, and employee disability and injury.

Item	Implementation Status
	<p>(2) Machinery and equipment: There is a risk of failure due to the heat of the factory in summer, or asset damage due to damage or scrapping.</p> <p>(3) Climate: Heavy rains cause flooding in factories and waterlogged roads, droughts render factory equipment inoperable, and increased frequency and severity of strong typhoons cause damage to electrical equipment. Damage to products due to extreme climate events that impact supplier operations and production. Supply interruption results in delayed production capacity, loss of customers, and loss of profits. Continuous rise in average temperature results in an increase in energy consumption.</p> <p>(4) Energy resources (water, electricity and gas): Changes in Taiwan's energy structure results in supply price increases or shortages. Increase in greenhouse gas emission costs (e.g., additional carbon fees due to regulations).</p> <p>(5) Raw materials: Operating costs resulting from loss of quality, delivery time, or price increase due to weather conditions.</p> <p>(6) Loss of semi-finished products: Losses on scrapping due to abnormal supply of utilities.</p> <p>2.Opportunities:</p> <p>(1) Reduce supply voltage losses from 161kV to 345kV high voltage cables.</p> <p>(2) Offshore wind power generation cables.</p> <p>(3) The demand for aluminum conductor wind and rain cables for power towers increases due to strong winds and rains.</p> <p>(4) Significant increase in the amount of cables used for various construction projects that are susceptible to environmental damage.</p> <p>(5) Solar power/energy storage market. Differentiation to enhance competitiveness and expansion of new energy business.</p>
<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>In light of climate change-related risks, the Company assesses their potential financial impact as follows:</p> <p>1.Increased operating costs: In response to the risks of climate change, increased regulatory compliance costs, unsold products, and inventory losses may lead to higher operating expenses in the short term. In the medium to long term, operating expenses will continue to increase due to extreme weather events, energy price fluctuations, and increased equipment maintenance and raw material costs.</p> <p>2.Increased capital expenditures: Climate change may cause damage to equipment and infrastructure or require enhanced weather resistance, thus increasing capital expenditures, including investments in equipment upgrades, the construction</p>

Item	Implementation Status
	<p>of disaster prevention facilities, and the implementation of energy management systems.</p> <p>3.Reduced revenue and cash flow: Extreme weather events can affect product manufacturing, supply chain operations, and delivery capabilities, leading to decreased revenue and reduced cash flow. In the medium to long term, profitability may also be affected by energy cost increases and market demand fluctuations.</p> <p>To address the aforementioned financial impacts, the Company employs scenario analysis to assess the potential impacts under different climate scenarios and formulates medium- to long-term strategies and investment decisions accordingly. These strategies include energy conservation and carbon reduction, improving energy efficiency, developing energy-efficient and weather-resistant products, and strengthening supply chain management to enhance the Company’s operational resilience and sustainable development capabilities.</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. GHG emissions, product requirements and supervision, low-carbon t management</p>	<p>In line with the TCFD framework, the Company’s designated energy management personnel identify and assess climate-related risks and opportunities to operations through the climate change management processes, and formulate management countermeasures based on potential impacts and likelihood of occurrence, covering measures such as energy conservation and carbon reduction, equipment weather resistance enhancement, and supply chain risk control. The assessment and management results are incorporated into the Company’s overall risk management system and reported to the Board of Directors regularly to ensure that climate risk management is aligned with the Company’s strategy and sustainability goals.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>In response to the financial impact of climate change risks, the Company has planned to introduce a scenario analysis mechanism to assess the potential impact under different climate scenarios. This will serve as a reference for medium- and long-term strategies and investment decisions, progressively promoting energy conservation and carbon reduction, improving energy efficiency, developing energy-efficient and weather-resistant products, and strengthening supply chain management to enhance the Company’s operational resilience and sustainable development capabilities.</p>
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Our Company continuously manages carbon assets and has established carbon neutrality and carbon management policies and targets. For the short- to mid-term period from 2025 to 2030, the Company aims to achieve an annual carbon reduction target of 2%. The Sustainability Team is responsible for overseeing</p>

Item	Implementation Status
	<p>ESG-related environmental matters, while the Greenhouse Gas Inventory Team works closely with personnel responsible for the ISO 50001 Energy Management System to enhance energy management efficiency. In line with the policies of the energy authorities, the Company targets annual energy savings of at least 1%.</p> <p>To strengthen energy management, the Company regularly reviews and adjusts its energy-saving plans and collaborates with the Production Department, Equipment Department, and Project Management Office to analyze energy consumption factors and establish a comprehensive energy database. In addition to benchmarking against domestic industry peers, the Company has implemented various energy-saving initiatives across its plants, including the adoption of the ISO 50001 Energy Management System, to improve overall energy management performance.</p> <p>Key achievements include the introduction of energy storage systems, energy management systems and improvement programs, as well as energy-efficient production equipment (wire drawing machine, code CD-06). By 2025, compared with the 2024 baseline year, the Company expects to reduce Scope 1 and Scope 2 carbon emissions by 6.3%, improve energy efficiency by 2.24%, and save approximately 297,841 kWh of electricity.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The Company has established an internal carbon pricing system as a management tool for climate-related planning and investment decisions. The pricing is determined based on regulatory requirements, energy costs, and carbon emission impact assessments to achieve effective carbon management and resource allocation.</p>
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress to be achieved each year shall be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset shall be specified.</p>	<p>The Company has completed its greenhouse gas inventory, covering major emission sources within its operations, and has set climate-related targets and emission management plans. The inventory results serve as the basis for tracking annual emission progress. Where carbon offsets or Renewable Energy Certificates (RECs) are used to achieve carbon reduction targets, the Company will disclose their sources, quantities, and application to ensure carbon reduction performance is transparent and verifiable.</p> <p>Please visit our official website: https://www.hong-tai.com.tw/tc/index.htm → ESG Sustainability → Corporate Governance → Internal Carbon Pricing</p>
<p>9. Greenhouse gas inventory, assurance, reduction targets, strategies and specific action plans (please fill out 1-1 and 1-2).</p>	<p>Please refer to the following for details.</p>

1-1 Greenhouse Gas (GHG) Inventory and Assurance Status for the Most Recent Two Years

1-1-1 GHG Inventory Information

Description of the emission volume (metric tons of CO₂e), intensity (metric tons of CO₂e / million NTD), and the scope of data coverage for the most recent two years.

Head office emissions:

2024: 8,617.322 metric tons CO₂e Intensity: 1.31 metric tons CO₂e / million NTD

Coverage: Operations in Taiwan

2025: 8,135.738 metric tons CO₂e Intensity: 1.08 metric tons CO₂e / million NTD

Coverage: Headquarters, domestic factories and liaison offices.

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

Note 2: The scope of data coverage for direct emissions (Scope 1) and energy indirect emissions (Scope 2) shall be handled in accordance with the timeline specified in Article 4-1, Paragraph 2 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" (hereinafter referred to as the "Rules"). Disclosure of other indirect emissions (Scope 3) is voluntary.

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

Note 4: GHG emission intensity may be calculated based on units of product/service or revenue; however, disclosure based on revenue (NT\$ million) is required at a minimum.

1-1-2 GHG Assurance Information

Description of the assurance status for the most recent two years, including the scope of the assurance, the assurance provider, the standards for the assurance, and the assurance comments.

External assurance:

The Company completed the Group's 2025 greenhouse gas verification in 2026. The verification was conducted by the Taiwan Electric Research & Testing Center in accordance with ISO 14064-3:2019 standards. The scope of verification covered Scope 1, Scope 2, and Scope 3 emissions. The verification results met the requirements for a reasonable assurance level and complied with the applicable verification criteria.

Note:

1. Assurance shall be conducted in accordance with the timeline specified in Article 4-1, Paragraph 3 of the Rules.
2. The assurance providers must meet the relevant requirements set by the Taiwan Stock Exchange and the Taipei Exchange regarding sustainability report assurance providers.
3. Disclosure may refer to best practice examples published on the Taiwan Stock Exchange Corporate Governance Center website.

1-2GHG Reduction Targets, Strategies, and Action Plans

<p>Company profile</p> <ul style="list-style-type: none"> Companies with paid-in capital of less than NT\$5 billion 	<p>Minimum disclosure required under the Sustainable Development Roadmap for TWSE/TPEX Listed Companies:</p> <ul style="list-style-type: none"> Disclosure in 2027 of the greenhouse gas reduction targets, strategies, and specific action plans for the preceding year
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Description of the greenhouse gas reduction baseline year and its data, reduction targets, strategies, specific action plans, and achievement status.			
2025 Reduction Performance			
GHG Reduction Targets			
Energy and GHG management	Short-term target	Mid-term target	Long-term target
	The initial (2025-2030) carbon reduction target is set at 2% per year.	The medium-term (2031-2036) carbon reduction target is set at 5% per year.	The carbon reduction target for 2037-2050 is set at 4.28% per year, supplemented by carbon trading to achieve carbon neutrality at last.
2025 Reduction Performance			
Energy and GHG emissions reduction	<p>Specific Actions and Performance</p> <p>In 2025, the Company completed its greenhouse gas inventory with 2024 established as the baseline year. The target for 2030 is to achieve a 10% reduction in carbon emissions compared with the baseline year. The specific carbon reduction action plans and achievements are as follows:</p> <ol style="list-style-type: none"> Replacement and Upgrade of the Rough Drawing Machine The CD-06 machine was put into operation in March 2025. Compared with the same period in 2024, electricity consumption from March to December 2025 was reduced by 289,786 kWh, achieving an energy-saving rate of 2.18%. DV-05 UPS Control Room Air Conditioner Improvement Due to significant temperature control deviations in the original DV-05 UPS air conditioning system, the Company replaced it with a digital temperature controller, which commenced operation on January 1, 2025. Annual electricity consumption was reduced by 8,055 kWh, with an energy-saving rate of 0.06%. Energy-Saving Measures for Office Equipment and Facilities The Company implemented timer-based power-saving settings for photocopiers, printers, and other office equipment during working hours, turned off lighting and power supplies in unoccupied areas, set air-conditioning temperatures at 26°C, and fully shut down computers and office equipment after work and during holidays to reduce electricity consumption. Implementation of Electronic Invoices Since 2018, the Company has adopted electronic invoices to reduce paper printing and physical mail delivery. Implementation of Electronic Payslips Starting from 2025, the Company introduced electronic payslips to further reduce paper usage and physical distribution. Lighting Equipment Upgrade (Replacement of Lighting Fixtures) The Company continues to replace existing lighting fixtures with more energy-efficient lighting equipment to improve energy efficiency and reduce electricity consumption. <p>GHG emissions in 2025 (metric tons CO₂e): Scope 1: 260.6547 metric tons CO₂e. Scope 2: 6,346.0499 metric tons CO₂e. Scope 3: 1,529.0338 metric tons CO₂e Total emissions = Scope 1 + Scope 2 + Scope 3: 8,135.738 metric tons CO₂e.</p>		

(VIII) Differences in the fulfillment of ethical corporate management and deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons:

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
<p>I. Establishment of ethical corporate management policy and approaches</p> <p>(I) Has the Company prepared its ethical corporate management policy that has been approved by the Board of Directors and stated in its Memorandum or external correspondence about its policies and practices regarding ethical corporate management? Are the Board of Directors and high-ranking management members committed to fulfilling this commitment?</p>	V		(I) In honor of its belief in ethical corporate management, the Company prepared the Guide to the Moral Behavior of Company’s Management and related regulations and policies, signed agreements externally, all of which are based on the principles of integrity and reciprocity and include reasonable contents, and proactively puts its commitment to ethical corporate management into action.	No major difference.
<p>(II) Does the Company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the Bank implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	V		(II) Major suppliers of the Company have signed the Commitment to Ethical Conduct. For employees that interact with outsiders, there are strict work regulations for them to follow and also the monitoring and auditing mechanisms to prevent against unethical conducts.	No major difference.

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
(III) Does the Company have the operating procedure, behavioral guide, disciplinary system in case of violation, and complaint-filing system included as part of its proposal on the prevention against unethical behaviors and enforce them and periodically discuss about how to correct the aforementioned proposal?	V		(III) Since it was established, the Company has been adhering to its belief in honesty and integrity. Practices to prevent against unethical behaviors have long been included as part of respective regulations and systems and been enforced.	No major difference.
<p>II.Fulfillment of Ethical Corporate Management</p> <p>(I) Does the Company evaluate the integrity records of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(II) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors that periodically (at least once a year) reports the ethical corporate management policy and programs against unethical behaviors to the Board of Directors while monitoring its implementation?</p>	V	V	<p>(I) All counterparties of the Company need to sign the Commitment to Ethical Conduct for the time being in order to ensure compliance with the principles of integrity and reciprocity in transactions and there is the evaluation mechanism in place to help fulfillment of the agreement in integrity.</p> <p>(II) The Company constantly reminds its supervisors at all levels of ideas about ethical corporate management. Although no exclusive unit to take charge of ethical corporate management has been set up yet, no major violations in ethical corporate management have occurred.</p>	<p>Compliant.</p> <p>No full-time (part-time) units have been set up for ethical corporate management at the moment yet.</p>

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
(III) Does the company have a policy prohibiting conflicts of interest, provide appropriate channels for disclosure, and enforce it?	V		(III) The Company specifically enforces policies on recusal upon conflicting interests. For events involving conflicts of interest, besides reporting them to the supervisor, one can also report them to the Audit Office or the President's Office.	No major difference.
(IV) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?	V		(IV) The Company has established an effective accounting system and internal control system with internal audit units and audits are carried out in compliance with the audit plan. Under special circumstances, exceptional audits will be arranged. In addition, the authorized accounting firm also audits the implementation of related internal control procedures each year to ensure consolidation of related systems.	Compliant.
(V) Did the Company periodically provide internal and external training programs on ethical corporate management?	V		(V) Believing in “integrity and diligence, innovation and advancement”, besides new hires who are instilled with applicable ideas, the Company frequently communicates the said belief through various meetings and communication channels.	Compliant.
III. Implementation of the Company’s Whistleblowing System				
(I) Has the Company established concrete whistleblowing and reward system and have a convenient reporting channel in place, and	V		(I) In order to protect the interests of the Company as a whole, strengthen corporate social responsibility, and effectively combat internal illegal acts, the Company has set up the	Compliant.

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons												
	Yes	No	Summary													
assign an appropriate person to communicate with the accused?			<p>Whistleblowing Standards to enable internal and external personnel to report any illegal acts or behavior that jeopardizes the Company's interests through channels. If a whistleblower's disclosure is substantiated, he/she may be rewarded depending on the circumstances.</p> <table border="1"> <thead> <tr> <th>Related items</th> <th>Acceptance unit</th> <th>Contact method</th> </tr> </thead> <tbody> <tr> <td>Shareholders and Spokesperson</td> <td>Spokesperson</td> <td>sp@hong-tai.com.tw</td> </tr> <tr> <td>Internal and external illegal acts</td> <td>Audit Office</td> <td>audit@hong-tai.com.tw</td> </tr> <tr> <td>Internal illegal acts</td> <td>President Office</td> <td>pp@hong-tai.com.tw</td> </tr> </tbody> </table>	Related items	Acceptance unit	Contact method	Shareholders and Spokesperson	Spokesperson	sp@hong-tai.com.tw	Internal and external illegal acts	Audit Office	audit@hong-tai.com.tw	Internal illegal acts	President Office	pp@hong-tai.com.tw	
Related items	Acceptance unit	Contact method														
Shareholders and Spokesperson	Spokesperson	sp@hong-tai.com.tw														
Internal and external illegal acts	Audit Office	audit@hong-tai.com.tw														
Internal illegal acts	President Office	pp@hong-tai.com.tw														
(II) Has the Company established standard operating procedures for investigating reported cases, subsequent measures to be taken once investigation is completed, and the related confidentiality mechanism?	V		<p>(II)The Company's Whistleblowing Standards set forth the procedures and protection principles as follows:</p> <p>1.Handling procedures:</p> <p>(1)When reporting through the above channels, the whistleblower should provide specific evidence and records of the violation in writing or electromagnetic records to facilitate verification. The whistleblower shall assist the Company in the investigation of his/her report and provide his/her name, ID number, service unit, contact address and telephone number in order to avoid improper blackmail.</p> <p>(2)If the whistleblower fails to provide the above information, or if the contents of the report are</p>	Compliant.												

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
			<p>confirmed to be factually incorrect or meaningless for examination, the report may not be accepted.</p> <p>(3)The acceptance unit shall investigate the reported case in detail, with the assistance of other relevant departments if necessary. Upon completion of the investigation, a written report on the investigation shall be submitted and reported to the President, Chairman, or the Board of Directors, depending on the severity of the case.</p> <p>(4)If the reported case involves a director or manager, it shall be reported to the independent directors.</p> <p>(5)If it is proved that the reported person has violated the relevant laws and regulations or the Company's regulations, appropriate penalties shall be imposed in accordance with the Company's management regulations. If necessary, the case may be referred to the judicial authorities for investigation or to seek damages through legal proceedings.</p> <p>2. Whistleblower protection principles:</p>	

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
			<p>(1) The Company has the responsibility to protect the whistleblower. The identity of the whistleblower shall be kept confidential. The related personnel shall not disclose the identity information of the whistleblower or his / her relatives in any form. However, this does not apply when the whistleblower has given his or her consent.</p> <p>(2) No improper measures shall be taken against the whistleblower or his/her relatives due to the disclosure of illegal acts (for example: dismissal, demotion, salary reduction, impairment of rights and interests to which they are entitled under law, contract or custom, or other adverse measures). However, the whistleblower may be excluded from the scope of protection, if he/she understands that the report is untrue or aims to obtain improper benefits.</p> <p>(3) If a whistleblower's disclosure is substantiated, he/she may be rewarded</p>	

Assessment Item	Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
(III) Did the Company adopt measures for protecting the whistle-blower against improper treatment?	V		<p>depending on the circumstances. If there is any false accusation, concealment, insult or intentional disturbance, the Company will impose punishment according to the relevant rules and regulations.</p> <p>(III) It is clearly specified in the Whistleblowing Standards that confidentiality measures shall be taken and no improper measures shall be taken against the whistleblower and his/her relatives, in order to protect against improper treatment borne by the whistleblower for reporting.</p>	Compliant.
IV. Reinforced Disclosure of Information Has the Company disclosed information about its Ethical Corporate Management Principles and the implementation efficacy on its website and the Market Observation Post System?		V	The Company will prepare details about disclosure of the Ethical Corporate Management Principles on its website.	The Company has not prepared its Ethical Corporate Management Principles. No major differences have been found in the remainder yet.
V. If the Company has established its own Ethical Corporate Management Principles based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”, please specify the differences between how it actually takes place and what is defined in the Principles: Despite the lack of Ethical Corporate Management Principles in place, the Company constantly reminds its supervisors at all levels of the concept about ethical corporate management and promotes it on relevant occasions and channels.				
VI. Other important information that helps with a better understanding of the Company’s implementation of ethical corporate management (e.g. the Company reflects upon and revises the Ethical Corporate Management Principles that it has prepared): None.				

(IX) Other significant information which may improve the understanding of the status of corporate governance: Related continuing education completed by the directors and managers of the Company over the past year on topics relevant to corporate governance is as follows:

					2025
Title	Name	Date of Continuing Education	Organizer	Course Title	Completed Hours
Legal Representative of Chairman	Chen Shi-Yi	2025.07.31	Taiwan Stock Exchange Corporation	2025 Taiwan Capital Market Summit	3
		2025.09.26	ROC Securities and Futures Institute	2025 Seminar on Prevention of Insider Trading	3
		2025.12.05		Seminar on “New Perspectives on Corporate Hedging: Addressing Exchange Rate Challenges and Asset Management Trends”	3
		2025.12.19	Taipei Foundation of Finance	Outlook 2026: Analysis of Key Indicators and Trends in the Global Political and Economic Landscape	3
Representative of Institutional Director	Chen Chih	2025.03.11	Taiwan Corporate Governance Association	Trump 2.0, the End of Globalization, and Regional Wars	3
		2025.03.13	ROC Securities and Futures Institute	The Semiconductor Century Battle: TSMC’s World-leading Key Technologies and Business Opportunities	3
		2025.05.15		Silicon Photonics Shaping the Network: Development Trends of Silicon Photonics (SiPh) and Co-packaged Optics (CPO)	3
Representative of Institutional Director	Chen Liang-Hua	2025.11.14	Taiwan Corporate Governance Association	The Digital Finance Revolution: Principles of Stablecoins and Development Trend in Blockchain-Based Virtual Assets	3
		2025.11.20	ROC Securities and Futures Institute	Global and Taiwan Economic Outlook for 2026	3
Representative of Institutional Director	Pan Shao-Ping	2025.09.19	Chinese National Association of Industry and Commerce	Impacts of the New Global Political and Economic Landscape on Taiwanese Enterprises	3
		2025.10.21	Taiwan Corporate Governance Association	Corporate Crisis Management and Communication	3
Independent Director	Chao Jang, Jing	2025.04.24	Taiwan Corporate Governance Association	Trump 2.0, the End of Globalization, and Regional Wars	3
		2025.10.30		Nvidia's Three Trillion Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3
Independent Director	Tseng Peifen	2025.08.22	ROC Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Equity Transactions	3
		2025.09.26		2025 Seminar on Prevention of Insider Trading	3
		2025.10.16	Financial Supervisory Commission	15th Taipei Corporate Governance Forum	6
Independent Director	Stan Tong	2025.07.03	ROC Securities and Futures Institute	Shareholders' Meetings, Corporate Control and Equity Strategies	3
		2025.07.04		Global and Domestic Trends in Carbon Pricing Mechanisms	3
		2025.07.10		Legal Duties and Liabilities of Directors and Supervisors and Workplace Prevention	3
		2025.07.10		Challenges and Opportunities in Sustainable Development Pathways and Introduction to GHG Inventory	3
		2025.11.21		2025 Seminar on Legal Compliance for Insider Equity Transactions	3
Head of Finance and Accounting	Pan Shao-Ping	2025.08.14-2025.08.15	Shih Chien University	Continuing Education Course for Issuers/Securities Firms/Stock Exchanges/Accounting Supervisors	12

(X) For the implementation status of the internal control system, the following shall be disclosed:

Hong Tai Electric Industrial Co., Ltd.
Internal Control System Declaration

Date: March 13, 2026

For the 2025 Internal Control System of the Company, it is hereby declared as follows according to the results of self-evaluation:

- I The Company explicitly knows that establishing, implementing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers and such a system has been established in the Company. It aims to reasonably ensure fulfillment of goals such as effective and efficiency operation (including profitability, performance, and protection of data security), reliable, timely, and transparent reports, and compliance with applicable regulations and related laws.
- II The internal control system is subject to innate restrictions. Regardless how sound is the design, an effective internal control system can at most reasonably ensure fulfillment of the three goals mentioned above; nevertheless, the effectiveness of the internal control system may change with the environment and the circumstances. However, self-supervision measures were implemented within the Company's internal control system to facilitate immediate rectification as soon as flaws are identified.
- III The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each element further contains several items. For more information on the abovementioned items, please refer to the Regulations.
- IV The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as of December 31, 2025 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of reporting, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
- VI This declaration constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or omission related to the public statement above is subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII This Declaration was approved by the Board of Directors' Meeting of the Company held on March 13, 2026, where 0 of the 7 attending directors expressed dissenting opinions; all affirmed the content of this Declaration.

Hong Tai Electric Industrial Co., Ltd.

Chairman: Chen Shi-Yi

President: Li Wen-Pin

2.If the Company engages a CPA in the review of its internal control system, the CPA audit report shall be disclosed: Not applicable.

(XI) Key resolutions passed through shareholders' meetings and Board of Directors' meetings:

1. Resolutions reached in 2025 general shareholders' meeting and their enforcement

Date of Meeting	Category	Important Resolutions	Implementation Status
2025.06.18	General Shareholders' Meeting	<ol style="list-style-type: none"> 1. Adoption of the 2024 Business Report and financial statements. 2. Adoption of the 2024 earnings distribution proposal. 3. Approved the revision of some of the "Articles of Incorporation". 4. Completed re-election of directors. 5. Approved the lifting of non-compete restriction for new directors. 	<p>All proposals have been embarked on according to the results reached and in compliance with applicable requirements. The distribution of earnings for the current year was fully completed on July 31, 2025. A total cash dividend of NT\$663,768,132 was distributed, equivalent to NT\$2.1 per share.</p>

2. Resolutions reached through Board of Directors' meetings throughout 2025 and up to May 08, 2026

Date of Meeting	Category	Important Resolutions
2025.03.07	Board of Directors	<ol style="list-style-type: none"> 1. Approved 2024 Self-prepared Consolidated Financial Information. 2. Approved the intended authorization from the Board of Directors to the Chairman over the extension of limit contracts with Yuanta Bank's Northern Regional Center I. 3. Approval of the proposed re-election of directors. 4. Approval of the proposed nomination period, number of seats to be filled, and designated location for accepting nominations of director candidates (including independent directors). 5. Approved the list of candidate directors (including independent directors) nominated and finalized. 6. Approval of the date, venue, proposals, and book closure period for the 2025 Annual Shareholders' Meeting.
2025.03.21	Board of Directors	<ol style="list-style-type: none"> 1. Approved 2024 "Internal control system effectiveness evaluation" and "internal control system statement". 2. Approval of the 2024 employee compensation and directors' remuneration distribution. 3. Approval of the 2024 individual financial statements and consolidated financial statements. 4. Approval of the 2024 Business Report. 5. Approval of the 2024 earnings distribution. 6. Approval of the 2025 CPA appointment and remuneration, pre-approval of non-assurance services, and suitability/independence assessment. 7. Approved the scope of "non-executive employees" for 2025. 8. Approved the revision of some of the "Articles of Incorporation". 9. Approved the lifting of non-compete restriction for new directors.

Date of Meeting	Category	Important Resolutions
2025.05.09	Board of Directors	<ol style="list-style-type: none"> 1. Approval of the 2025 Q1 consolidated financial statements. 2. Approved intended authorization from the Board of Directors to the Chairman over extension of contracts with the following banks to facilitate allocation of funds. 3. Approved the distribution of managers' remuneration and the remuneration policies.
2025.06.18	Board of Directors	<ol style="list-style-type: none"> 1. Approval of the election of the 24th Chairman. 2. Approved the appointment of the Compensation and Remuneration Committee members.
2025.08.08	Board of Directors	<ol style="list-style-type: none"> 1. Approval of the 2025 Q2 consolidated financial statements. 2. Approved intended authorization from the Board of Directors to the Chairman over extension of contracts with the following banks to facilitate allocation of funds. 3. Approval of renewal of directors' and officers' liability insurance. 4. Approval of the change of signing CPA of Ernst & Young. 5. Approval of amendments to the "Seal Management Regulations."
2025.11.07	Board of Directors	<ol style="list-style-type: none"> 1. Approval of the 2025 Q3 consolidated financial statements. 2. Approved the implementation of contract renewal for credit limits of CTBC Bank Chengde Branch. 3. Approval of amendments to the "Sustainable Development Best-Practice Principles." 4. Approval of the establishment of the "Regulations Governing Financial and Business Transactions Between Related Parties" and repeal of the "Related Party Transactions of the way to Expose." 5. Approval of transactions with Lianfa Metal Enterprise Co., Ltd. in 2025. 6. Approval of non-assurance services provided by Ernst & Young and its affiliates.
2025.12.23	Board of Directors	<ol style="list-style-type: none"> 1. Approval of the 2026 annual internal audit plan. 2. Approval of recognition of asset impairment losses. 3. Approval of the 2025 budget revision. 4. Approval of the provision for 2025 year-end bonuses. 5. Approval of the 2026 operating plan. 6. Approval of the 2026 budget report. 7. Approval of transactions with Lianfa Metal Enterprise Co., Ltd. in 2026. 8. Approval of managers' year-end bonus and the remuneration policies.

Date of Meeting	Category	Important Resolutions
2026.03.13	Board of Directors	<ol style="list-style-type: none"> 1. Approval of 2025 “Internal Control System Effectiveness Evaluation” and “Internal Control System Declaration”. 2. Approval of the 2025 employee compensation and directors’ remuneration distribution. 3. Approval of the 2025 consolidated financial statements and individual financial statements. 4. Approval of the 2025 Business Report. 5. Approval of the 2025 earnings distribution. 6. Approval of the 2026 CPA appointment and remuneration, pre-approval of non-assurance services, and suitability/independence assessment. 7. Approved the intended authorization from the Board of Directors to the Chairman over the extension of limit contracts with Yuanta Bank's Northern Regional Center I. 8. Approval of the lifting of non-compete restrictions for corporate representative directors. 9. Approval of the date, venue, proposals, and book closure period for the 2026 Annual Shareholders’ Meeting.
2026.05.08	Board of Directors	<ol style="list-style-type: none"> 1. Approved Consolidated Financial Statements for the first quarter of 2025 2. Approval of the definition scope for “entry-level employees” for fiscal year 2026. 3. Approval of the amendments to the “Personal Data Protection Management Regulations.” 4. Proposal to authorize the Chairman of the Board to renew credit lines with the following banks to facilitate fund allocation 5. Proposal on the distribution of executive compensation and salary.

(XII) The directors expressed/did not express dissenting opinions regarding important resolutions approved by the Board of Directors, supported by records or written declarations; the contents are primarily: No directors expressed dissenting opinions regarding important resolutions approved by the Board of Directors.

(XIII) Intellectual property management plan

<p>Intellectual property management plan</p>	<p>To enhance the Company’s competitive advantages and implement corporate governance, and to effectively integrate technological innovation, trademarks and brand value, key business information, and operational objectives, the Company has established an intellectual property management plan. This plan integrates relevant resources and defines implementation directions to achieve sustainable operation.</p> <p>1. Patent management: Design and development process: The Company has established “Design and Development Control Procedures,” under which market information is collected and risk assessments are conducted at the initial stage of development to confirm market demand and avoid potential patent infringement disputes. These procedures also cover the planning and control of product design and development process, with the ultimate goal of developing products or patents that are competitive in the market and have protection value. Encouragement of innovation and protection of achievements: To encourage employees to continuously improve technologies, the Company has established a proposal reward system and “R&D Achievement Reward Management Regulations.” For R&D achievements with market potential or the possibility to establish technological advantages, professional firms will be commissioned to handle patent applications and portfolio planning in order to protect the Company’s innovation assets.</p> <p>2. Trademark management: To safeguard the Company’s long-established brand value and market reputation, proper use of trademarks shall be ensured, and periodic evaluations for right extension shall be conducted. At the same time, the Company monitors the market to promptly prevent infringement or exploitation of its brand to avoid customer confusion.</p> <p>3. Copyright management: To protect the Company’s assets, employment contracts clearly stipulate that any research, writings, inventions, developments, technological improvements, and production and sales-related information created by employees during their employment and within the scope of their duties shall belong to the Company, with the Company designated as the copyright owner.</p> <p>4. Trade secret management Confidentiality obligations and agreements: Trade secrets include production technologies, manufacturing processes, customer lists, and key business information, all of which have significant impact on the Company. Therefore, employment contracts stipulate that employees are obligated to maintain confidentiality of trade secrets they learn or possess in the course of their work or position, both during and after employment. When collaborating with external parties, non-disclosure agreements (NDAs) shall be executed as necessary. Enhancing internal awareness: The Company continuously promotes awareness among employees to strengthen understanding of the importance of trade secret protection and to establish a culture of confidentiality for all employees.</p>
<p>Implementation status</p>	<p>1. In accordance with the Company’s intellectual property management plan, intellectual property-related matters shall be reported to the Board of Directors at least once annually. The most recent report was submitted on November 7, 2025, with content as follows: Patent management: The Company has established design and development control procedures and engages professional firms to handle patent applications and portfolio planning. As of December 31, 2024, the Company held 13 domestic invention patents, 7 utility model patents, and 1 foreign invention patent, totaling 21 patents granted and remained valid. During this period, 1 utility model patent expired and was not renewable. Trademark management: The Company ensures the proper use of trademarks and conducts periodic extensions to maintain brand value and market reputation. As of December 31, 2024, the Company held 12 valid domestic trademarks and 2 foreign trademarks, for a total of 14 trademarks that have been registered and remain valid. Two overseas trademark applications are currently under review.</p> <p>2. The Company’s designated unit compiles patent and trademark list on a monthly basis. In addition to reviewing and tracking expiration status of each patent and trademark, the unit also reminds relevant personnel to monitor the market for any potential infringement of the Company’s patent and trademark rights.</p>

IV. Accountant fee information:

- (I) When fees paid to the CPAs, the Firm they belong, and its affiliates include non-audit fees that account for at least one-fourth of the overall audit fees, amounts of audit fees and non-audit fees as well as details about non-audit services shall be disclosed: None.
- (II) If the Accounting Firm is replaced and the audit fees paid in the year of the said replacement dropped compared to those in the preceding year, the amount involved in, the ratio of, and the cause of reduction of the audit fees shall be disclosed: None.
- (III) When audit fees drop by at least 16% from the preceding year, the amount involved in, the ratio of, and the cause of reduction of the audit fees shall be disclosed: None.
- (IV) Information on Fees to CPA in 2025: Unit: NTD thousand

Name of Accounting Firm	Name of CPA	Duration of Audit Performed by CPA	Audit Fee	Non-audit Fee	Remarks
Ernst & Young	Henry Liu	2025/1/1-2025/6/30	2,900	0	Internal adjustment by the accounting firm
	Steven Chang				
	Henry Liu	2025/7/1-2025/12/31			
	Hungbin Yang				

V. Information on Replacement of CPA:

(D) About the former CPAs

Date of replacement	Approved by the Board of Directors on August 08, 2025		
Reason for replacement and description	Due to internal adjustments within Ernst & Young, effective from the third quarter of 2025, the signing CPAs were changed from Henry Liu and Steven Chang to Henry Liu and Hungbin Yang.		
Termination by principal or CPAs or rejection of appointment	Party to Contract	CPA	Principal
	Voluntary termination of appointment	Not applicable	
	Rejection of (continuous) appointment		
Opinion and reasons for audit report other than unqualified audit report issued within the last two years	None		
Differences in opinion with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope of audit or procedures
			Other
	None	V	
	Description: None		
Other Disclosures (Additional disclosures under Article 10, Subparagraph 6, Items 1-4 to 1-7 of the Standards)	None		

(II) About the successor CPAs

Name of Firm	Ernst & Young
Name of CPA	CPA Henry Liu CPA Hungbin Yang
Date of appointment	Approved by the Board of Directors on August 08, 2025
Consultation items and conclusions, prior to engagement, regarding the accounting treatment or accounting principles for specific transactions and the potential audit opinion on the financial reports	None
Written opinion on differences of opinion between the successor CPAs and the former CPAs	None

(III) The former CPAs' response to matters in Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Standards: None.

VI. If the Company's Chairman, President, and managers in charge of finance or accounting affairs worked for the firm that the CPAs belong to or one of its affiliate in the most recent year, the name, title, and duration of such employment shall be disclosed: It did not happen.

VII. Share transfer by directors, managers and shareholders holding more than 10% equity and change in the pledged shares:

(I) Change in shares held by directors / supervisors / managers / major shareholders: Please refer to the following links on the Market Observation Post System (MOPS):

Share Transfers: MOPS > Individual Company > Shareholding Changes / Securities Issuance > Inquiry of Share Transfer Data > Insider Shareholding Change (Post-Event Reporting)

https://mops.twse.com.tw/mops/#/web/query6_1

Changes in Share Pledging: MOPS > Individual Company > Shareholding Changes / Securities Issuance > Insider Share Pledge / Release > Insider Share Pledge / Release Announcement

https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(II) Information on Related Party as Counterparty of Share Transfer: None.

(III) Information on Related Party as Counterparty of Pledged Shares: None.

VIII. Information on the inter-relationship among Top ten shareholders who are related, the spouse, or the relative within the second degree of kinship of one another:

As of April 11, 2026

Name	Shareholding in Person		Shares held by spouse and underage children		Total shares held in someone else's name		Titles, names and relationships among Top ten shareholders who are related, the spouse, or the relative within the second degree of kinship.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Shiliangze Investment Co., Ltd. Representative: Hsu Wei-Tzu	23,730,000	7.51%	29,268,899	9.26%	0	0	Chen Shi-Yi Chen Liang-Hua Chen Tse-Yu	First degree of kinship The representative of the Company, Hsu Wei-Tzu is the spouse of the party to the left. First degree of kinship	
Chen Liang-Hua	22,884,153	7.24%	6,884,746	2.18%	0	0	Chen Shi-Yi Hsu Wei-Tzu Chen Tse-Yu	First degree of kinship Spouse First degree of kinship	
Chiu Chiang Investment Co., Ltd. Representative: Chen Liang-Hua	15,734,514	4.98%	6,884,746	2.18%	0	0	Chen Shi-Yi Hsu Wei-Tzu Chen Tse-Yu	First degree of kinship The representative of the Company, Chen Liang-Hua is the spouse of the party to the left First degree of kinship	
Chen Shi-Yi	13,622,563	4.31%	2,159,485	0.68%	0	0	Chen Liang-Hua Hsu Wei-Tzu Chen Tse-Yu	First degree of kinship “ Second degree of kinship	
Jyh Tai Investment Co., Ltd. Representative: Chen Liang-Hua	12,225,029	3.87%	6,884,746	2.18%	0	0	Chen Shi-Yi Hsu Wei-Tzu Chen Tse-Yu	First degree of kinship The representative of the Company, Chen Liang-Hua is the spouse of the party to the left First degree of kinship	
Chang Lung-Tsai	7,536,000	2.38%	341,001	0.11%	-	-	-	-	
Chen Tse-Yu	6,184,746	1.96%	0	0	0	0	Chen Liang-Hua Hsu Wei-Tzu Chen Shi-Yi	First degree of kinship “Second degree of kinship	

Name	Shareholding in Person		Shares held by spouse and underage children		Total shares held in someone else's name		Titles, names and relationships among Top ten shareholders who are related, the spouse, or the relative within the second degree of kinship.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Qiqingxin Investment Co., Ltd. Representative: Chi Kuei-Hua	6,000,000	1.90%	3,632,232	0.83%	0	0	Chen Jia-Mei	Second degree of kinship	
Chen Jia-Mei	5,836,092	1.85%	0	0	0	0	Qiqingxin Investment Co., Ltd. Representative: Chi Kuei-Hua	Second degree of kinship	
Deutsche Bank AG, Taipei Branch Custodian of SPDR	5,446,000	1.72%	0	0	0	0	-	-	

IX. Number of Shares Held by and Consolidated Comprehensive Shareholding Ratio Among the Company, the Directors, Managers of the Company, and Businesses Directly or Indirectly Controlled by the Company of the Same Reinvested Business:

General shareholding ratio

2026/02/28

Unit: Share; %

Reinvested Business	Investment by the Company		Investments by directors, managers, and businesses controlled directly or indirectly		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Safety Investment Co., Ltd.	8,800,000	100.00%	0	0.00%	8,800,000	100.00%
Hong Hong Engineering Co., Ltd.	3,575,880	86.00%	582,120	14.00%	4,158,000	100.00%
British Virgin Islands Moneywin International Ltd.	4,430,860	100.00%	0	0%	4,430,860	100.00%
South Ocean Holdings LTD.	56,270,187	27.68%	6,222,630	3.06%	62,492,817	30.74%

C.Fundraising

I. Capital and Shares:

(I) Capital stock:

1.Source of capital stock:

Month Year	Issue price	Approved capital stock		Paid-up capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock (\$)	Shares acquired by non-cash properties	Other
1993.10	10	80,000,000	800,000,000	80,000,000	800,000,000	Capital increase in cash: 80,000,000 Capital increase by earnings: 120,000,000	None	
1994.04	10	150,000,000	1,500,000,000	120,000,000	1,200,000,000	Capital increase in cash: 200,000,000 Capital increase by capital reserve: 80,000,000 Capital increase by earnings: 120,000,000	None	
1995.04	10	150,000,000	1,500,000,000	144,000,000	1,440,000,000	Capital increase by capital reserve: 180,000,000 Capital increase by earnings: 60,000,000	None	
1996.05	10	160,000,000	1,600,000,000	158,400,000	1,584,000,000	Capital increase by capital reserve: 144,000,000	None	
1997.05	10	300,000,000	3,000,000,000	228,000,000	2,280,000,000	Capital increase in cash: 300,000,000 Capital increase by capital reserve: 158,400,000 Capital increase by earnings: 237,600,000	None	
1998.04	10	380,000,000	3,800,000,000	273,600,000	2,736,000,000	Capital increase by capital reserve: 228,000,000 Capital increase by earnings: 228,000,000	None	
1999.06	10	380,000,000	3,800,000,000	300,960,000	3,009,600,000	Capital increase by capital reserve: 136,800,000 Capital increase by earnings: 136,800,000	None	
2000.04	10	380,000,000	3,800,000,000	316,508,000	3,165,080,000	Capital increase by earnings: 150,480,000 Transfer of employee bonus: 5,000,000	None	
2001.04	10	388,000,000	3,880,000,000	332,139,050	3,321,390,500	Capital increase by earnings: 156,310,500	None	
2003.12	10	398,000,000	3,980,000,000	329,863,063	3,298,630,630	Capital reduction by treasury stocks: 22,759,870	None	
2009.01	10	398,000,000	3,980,000,000	324,151,063	3,241,510,630	Capital reduction by treasury stocks: 57,120,000	None	
2016.04	10	398,000,000	3,980,000,000	316,080,063	3,160,800,630	Capital reduction by treasury stocks: 80,710,000	None	

2.Type of Share:

April 11, 2026 / unit: share

Type of share	Approved capital stock			Remarks
	Outstanding share (Note)	Unissued share	Total	
Ordinary shares (listed stocks)	316,080,063	81,919,937	398,000,000	Including employee warrants that may be issued in the quantity of 10,000,000

3.Information on shelf registration: None.

(II)List of major shareholders:

April 11, 2026

Name of Major Shareholders	Shares	Number of shares held	Shareholding ratio
Shiliangze Investment Co., Ltd.		23,730,000	7.51%
Chen Liang-Hua		22,884,153	7.24%
Chiu Chiang Investment Co., Ltd.		15,734,514	4.98%
Chen Shi-Yi		13,622,563	4.31%
Jyh Tai Investment Co., Ltd.		12,225,029	3.87%
Chang Lung-Tsai		7,536,000	2.38%
Chen Tse-Yu		6,184,746	1.96%
Qiqingxin Investment Co., Ltd.		6,000,000	1.90%
Chen Jia-Mei		5,836,092	1.85%
Deutsche Bank AG, Taipei Branch Custodian of SPDR		5,446,000	1.72%

(III)Dividend Policy and Implementation Status:

1.Dividend Policy:

(1) Articles of Incorporation:

After accounts are finalized at the end of the year, in cases of earnings, the Company shall allocate the portion required to offset deficits and pay all taxes first and then set aside 10% to be the legal reserve unless the accumulated legal reserve has reached the capital size of the Company. Meanwhile, after the special reserve is set aside or reversed as required by law, the remainder, along with the undistributed earnings at start of term, shall be the accumulated distributable earnings. The Board of Directors will prepare the assignment proposal and bring it forth in the shareholders' meeting for a decision before it is enforced.

For the distribution of earnings as indicated in the preceding paragraph, the Board of Directors, with attendance of two-thirds and more of all directors and approval from a majority of attending directors, decides on the release of all or part of the dividends to be assigned, along with the proposals on the distribution of legal reserve and capital reserve, in cash and presented it in the shareholders' meeting.

Part of the Company's products belong to the traditional industry and the corporate life cycle is gradually reaching "maturity" while part of them belong to an emerging industry whose life cycle is at the growth stage. The Company's policies on distribution of dividends must take into consideration the Company's demand for funds in the future and its long-term financial plan while at the same time addressing the interests of shareholders and shall not be lower than 20% of disposable earnings for the specific year in principle. Cash dividends assigned with earnings, in particular, may not be less than 10% of the overall dividends. In cases of non-frequent material income for the earnings of the specific year, however, part or all of the said income may be retained in the distribution of

dividends and the ratios indicated in the foregoing paragraph do not apply.

(2) Dividend distribution to be proposed to the shareholders' meeting:

2025 Earnings Distribution: It was decided by the Company's Board of Directors on March 13, 2026 that a total of NT\$790,200,158 (NT\$2.5 per share) would be distributed as cash dividends to shareholders, accounting for 90.3% of the annual earnings; 100% of which was cash dividends. It will be presented during the 2026 General Shareholders' Meeting, too.

2. With imminent major changes to the dividend policy expected, it shall be stated:

None.

(IV) The effects of the stock dividends proposed during the shareholders' meeting on the Company's business performance and earnings per share: No stock dividends were intended in the current shareholders' meeting to be distributed and hence it is not applicable.

(V) Remuneration to employees and directors:

1. Percentages or ranges of remuneration to employees and directors under the Articles of Incorporation:

In cases of profits for the year, the Company shall set aside 2% to 8% as remuneration to employees and no more than 3% to be that to directors. With accumulated deficits remaining, however, the portion required to offset the deficits shall be retained first.

Of the employee remuneration amount referred to in the preceding paragraph, no less than sixty percent shall be set aside for the distribution of remuneration to non-executive employees. Where remunerations for employees are in stock cash and the parties to whom such stock or cash may be issued to may include employees of affiliated companies meeting certain criteria, the criteria and the distribution method are to be decided by the Board of Directors as authorized.

By profitability for the year as indicated in Paragraph 1, it refers to the profits before the remunerations for employees and those for directors are subtracted from the pre-tax profits for the year.

Remunerations for employees and those for directors shall be assigned on the basis of a decision supported by a majority of directors attending the board meeting who represent two-thirds or more of all directors and shall be presented in the shareholders' meeting.

2. Basis for estimating the amount of remuneration of employees and directors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current term:

(1) The remuneration to employees and directors is estimated as required by the Company's Articles of Incorporation. It was recognized as operating expenses for the specific term.

(2) Both the remuneration to employees and that to directors approved by the Company's Board of Directors are to be distributed in cash.

(3) When the actual amount distributed differs from the estimated amount, on the other hand, it is recognized as income of the following year.

3. Distribution of remuneration from earnings of 2025 as approved by the Board of Directors in 2026:

Cash-based employee compensation amounted to NT\$66,922,186, and directors' remuneration amounted to NT\$33,461,093.

4. Actual remuneration distributed to employees and that to directors from earnings of 2024 of the Company:

Item	Remuneration distributed to employees and that to directors from earnings of 2024		Difference	Cause of difference
	Finalized and approved in the shareholders' meeting	Finalized and approved in the Board of Directors' meeting		
Remuneration to employees in cash (\$)	62,211,776	62,211,776	None	-
Remuneration to directors (\$)	31,105,888	31,105,888	None	-

(VI) Buyback of corporate shares by the Company: None.

II. Issuance of Corporate Bonds:

- (I) Information of corporate bonds: None.
- (II) Information of convertible corporate bonds: None.
- (III) Information of exchangeable corporate bonds: None.
- (IV) Information of shelf-registration issued corporate bonds: None.
- (V) Information of corporate bonds with warrants: None.

III. Preferred Stock (with Warrant): None.

IV. Global Depository Receipt (DDR): None.

V. Employee Stock Option: None.

VI. Restricted Stock Awards: None.

VII. Mergers, Acquisitions or Issuance of New Shares for Acquisition of Shares of Other Companies: None.

VIII. Implementation of Capital Allocation Plan: As of the date the Annual Report was printed, the Company did not have any capital allocation plan that was not completed or was completed but the efficacy was yet to surface.

D.Operational Highlights

I. Business Activities:

(I) Business Scope:

1. Key Businesses:

- (1) manufacturing, processing, and distribution of various electrical wires, cables, bare copper wires, bare copper stranded wires, auto wires, TV antennas, nickel plated wires, plastics, rubber, wires/cables, cross-linked polyethylene, cross-linked PE power cables, control cables, termite resistant cables, gopher-protected cables, aluminum cables, welding cables, heat resistant and combustion-resistant wires/cables, low-smoke halogen-free cables, pre-made branch cables, lead-free cables, FS-STP communication cables, F/S-JF-LAP communication cables, E1, T1 indoor cables, optic fiber cables, communication devices.
- (2) Manufacturing and distribution of communication cables, solar power system-exclusive TUV, UL, EN, and IEC wires/cables.
- (3) Distribution of the above-listed various relevant machines.
- (4) Design, construction, maintenance, and provision of quality control and technical service for various power and telecommunication projects, communication devices, and solar power systems.
- (5) Agency and dealership for imports and exports concerning each of the above-listed businesses.

2.Consolidated Revenue Breakdown:

Product	2025	
	Amount of Sales (\$1,000)	Ratio of Sales %
Power cable	5,986,190	79.28
Bare copper wire	322,054	4.27
Communication cable	23,601	0.31
Other	1,218,615	16.14
Total	7,550,460	100.00

3. Products currently available at the Company:

- (1) 600V-161kV cross-linked PE power cable
- (2) Plastic wire/cable
- (3) Low smoke non-halogen cable
- (4) Heat-resistant cable
- (5) Control cable
- (6)Termite resistant cable
- (7) Bare copper wire
- (8) Rubber wire/cable
- (9) Environmentally friendly wire/cable
- (10)Lead-free PVC wire
- (11)Combustion resistant cable
- (12)Pre-branch cable
- (13)Gopher and termite resistant cable
- (14)Smart cable

(15)Solar power system-exclusive TUV, UL, EN, and IEC cable

(16)Wind power generation land cable

(II) Industry Overview:

Taiwan businesses are returning and bring about engineering projects; safety stocks and turnover are improved to proactively secure purchase orders and deliver on time. The government promotes railway and highway constructions one after another in order to boost domestic demand, which contributes to an increase in the revenue of the wire/cable and mechanical/electrical engineering industries.

Emerging and developing countries are attracting investments in constructions in all walks of life like magnets. There is intensive devotion to various types of services, forming an extension of the product market.

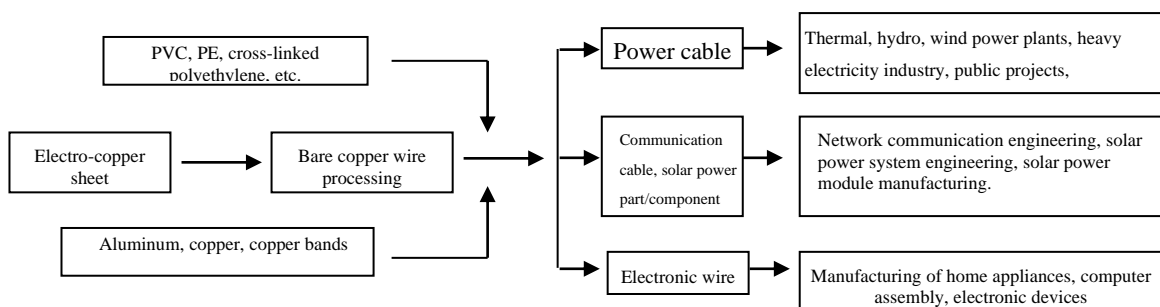
The Taiwan Power Company is introducing power development plans. New generators are added to thermal power plants in order to meet the demand for gradual discontinuation of nuclear power generation.

Offshore wind power and solar power cables are making profits due to fluctuating prices of copper, reinforcing the consolidation of the hedging mechanism for raw materials and supplies.

To meet the demand on the international market as a result of globalization, customers are provided with service by sales representatives in their locality to improve international competitive advantages. The Company also actively build production and distribution sites in Southeast Asia, Mainland China, the Oceania, and Africa.

1.Relationships with suppliers in the industry's supply chain:

Domestic wires and cables and their technicality are comparable to world levels. Currently, except for copper that needs to be imported, the up-mid-down-stream structure of the cable industry is quite thorough. Manufacturers import electro-copper sheets that are made into bare copper wires first and then into various types of wires and cables as is shown below:



The wire and cable industry in Taiwan mainly consists of small-to-medium-sized enterprises and their products can be divided primarily to copper/aluminum wires, power cables, communication cables, electronic wires, and enameled wires, etc. After years of improvements in production technology and equipment engineering capability, wires and cables are now quite mature products. The structure of the wire and cable industry in our

country is shown in Table (1). From the upstream that is primarily the supply of raw materials such as copper and aluminum melting, bare optical fiber drawing, and the supply of various types of insulating materials or coatings, to the midstream that features the processing and manufacturing of wires and cables of varying specifications through different production procedures, and the downstream application in power, communication, and home appliance, and electronics industries, among others, it is a complete industrial system.

Table (1) Structure of the wire and cable industry in our country

Industrial structure	Description
Upstream	Supply of primary raw materials such as copper, aluminum, bare optical fiber, and insulating coatings.
Midstream	Processing and manufacturing of wires and cables.
Downstream	Application in power, communication and home appliances, and electronics industries, among others.

In light of the balance between supply and demand on the market and the investment performance, the Company signs long-term supply contracts for primary raw materials with the upstream suppliers to ensure steady sources of raw materials. With rooted trust from the upstream primary raw material suppliers and the end-users of wires and cables in the downstream through vertical integration, the wire and cable business of the Company has formed its own complete industrial chain.

2. Future Development Trends of and Competition for Products:

(1)Future Development Trends:

A.Development of 345kV ultra-high voltage cables:

As the cable technology and manufacturing method constantly evolve and improve, in light of the more and more common use of 69kV and 161kV alternating PE cables and the high level of socioeconomic development and the quality of life constantly reaching new heights, to address the needs of urbanization and modernization, as part of its effort to seek accession to the World Trade Organization (WTO), the government is gradually opening up its domestic market to the world and the competition to deal with in the future will gradually become more complex. For offshore wind power, between 2026 and 2035, the period where 1.5GW a year will be combined in the grid, developers have now included 345kV as one of the solutions being evaluated. To realize sustainable corporate development, the development of 345kV ultra-high-voltage alternating PE cables is being evaluated to cope with the changes on the market in the future.

B.230kV ultra-high voltage XLPE cables:

Offshore wind energy is expected to contribute 1.5GW and above of capacity each year, that is, 15GV in total over 10 years in order to ensure stable and safe transmission quality. The requirement for land cables is increased accordingly.

The 230kV ultra-high voltage XLPE cables are developed to address the demand on the market and customers' needs with improved production technology.

C. Development of connector cables:

In response to the goal of "transportation electrification and decarbonization" in the 2050 net zero emission. The market share of electric vehicles will definitely increase, thus, it is expected that there will be more demand for connector cables. We will invest in development and obtain product certification as soon as possible to secure the market share.

(2) Competition:

A. To answer to the globalization trend, we are exploring the international market. Despite the competition from Mainland China, Japan, Korea, and local businesses, products of Hong Tai is well recognized for their quality; we are proactively coping with competition and working all out to secure purchase orders.

B. Given the flourishing demand on the market, shortage will occur in the near future and hence safety stocks are increased to proactively secure purchase orders and improve profitability.

(III) Overview of Technology and R&D:

1. R&D expenditure in the year up to the date the Annual Report was printed:

			Unit: NTD thousand
Year	2024	2025	April 30, 2026
R&D Amount	10,824	12,299	5,346

2. Technologies and products successfully developed:

- (1) Lead-free low-smoke low-halogen LSLH-FPVC wires and cables for iron and steel plants.
- (2) 69kV cross-linked PE termite resistant cables.
- (3) PVC gopher and termite dual-resistance cables.
- (4) 25kV high-voltage weathering-resistant wires and cables.
- (5) AVS automobile thin low-voltage electrical wires.
- (6) DC cables.
- (7) Medium-voltage frequency-conversion cables.
- (8) Ultra-high-voltage water-resistant cables.
- (9) Smart cables.
- (10) 105°C heat-resistant cross-linked cables.
- (11) Thin 380°C heat-resistant cables.
- (12) LSFH gopher and termite dual-resistance cables.
- (13) TUV, UL, EN, and IEC solar power cables.
- (14) Solar powered gopher and termite resistant cables.
- (15) Wind power generation land cables.
- (16) Development of second source for key raw materials to improve the overall competitive advantages of the Company.

(IV) Short-term and long-term business development:

1. Short-term plan:

- (1) To expand brand publicity and distribution channels.
- (2) To strengthen the quantity of purchase orders received on special cables such as low-smoke, toxin-free, environmentally-friendly, and gopher and termite resistant ones.
- (3) To continue to reinforce the effort to secure public projects, such as thermal and water power plants, MRT, railways.
- (4) To proactively fight for constructions of high-tech electronics plants to improve brand publicity and increase the customer base.
- (5) The addition of power generators to thermal power plants of Taiwan Power Company has driven up the demand for ultra-high-voltage cables and EPR cables and such demand will continue to grow steadily in the future.
- (6) To strengthen involvement in the system improvement plan of TRA for its electric traction line.
- (7) To proactively strengthen the promotion and development of new products and explore integrated structure, petrochemical, and new energy development projects.
- (8) To continue to reinforce the partnership and strategic alliance between the design unit and the heavy electricity industry and seek domestic major public construction cases.
- (9) To flexibly apply the promotional strategy to improve the market share.
- (10) To proactively secure cases on replacement of obsolete electrical equipment in petrochemical and steel and iron plants as their demand for special cables and ultra-high-voltage ones is increased.
- (11) To seek domestic urban renewal cases in the future to bring up the demand for the construction wires/cables.
- (12) To join efforts with counterparties in mechanical and electronic products and jointly seek electronics, technology, aviation, and expansion of plants cases.
- (13) To set foot in the market for offshore wind power, submarine, and military special cables.
- (14) To reinforce the capability of sales representatives to take orders and quickly keep track of sales information on the market for enhanced performance.
- (15) To increase the customer base for direct sales and expand marketing channels in central and southern parts of Taiwan.
- (16) To continue to take part in domestic and international smart energy exhibitions to increase the Company's publicity and to seek domestic and international business opportunities.
- (17) To continue to expand the existing customer base and seek supply opportunities for enhanced market share.
- (18) To strengthen existing customer service and improve brand publicity and competitive advantages.
- (19) To consolidate existing customer distribution networks and explore new ones for

products and new customers.

- (20) To take root and secure expansion cases in the local electronics and technology industries to increase the sales ratio of ultra-high-voltage products.

2. Long-term plan:

- (1) To develop business opportunities for the promotion of new products and sales.
- (2) Rails, highways, and green energy are all business opportunities in the future over the long term; stipulate the distribution strategy, strengthen the R&D capability, reduce the cost, and improve the competitive advantages of products.
- (3) To nurture and develop new niche-oriented products, improve additional value, and lay the groundwork for sustainable corporate operation.
- (4) To explore new sales networks, extend corporate strengths, and expand the market share.
- (5) To provide project-based services for wind power generation, solar power, photovoltaic, energy storage, and related power plant constructions.
- (6) To deploy around the world and enter markets in Mainland China, Southeast Asia, Africa, and Oceania and other exports markets.
- (7) To continue to develop new products, expand the sales of lead-free and combustion resistant cable products in response to market demand, so as to enhance the market share.
- (8) To continue to consolidate the management beliefs: “Hong Tai’s quality is the protection for customers”; customer is king, and service orientation.
- (9) To improve product quality, strength customer service, secure existing customers, and develop new customers and distribution networks.
- (10) To strength marketing channels for flame-retardant and low-smoke, toxin-free products on the market.
- (11) The Company expedites the expansion in sales and marketing to address the demand for introducing special cables onto the market.
- (12) To keep track of the international situation and the economic policies of the government in the future at all times, adjust the sales strategy and research and development of new products, and introduce them into the market to improve profitability of products as a countermeasure.
- (13) To have someone based in emerging and developing countries to take part in respective constructions.
- (14) To proactively seek domestic and international wire and cable manufacturers for the OEM and increase the use rate of units.
- (15) To continue to expand and develop distribution networks.
- (16) To reinforce customer satisfaction with the service and effectively keep track of customer’s demand.
- (17) To reinforce customers’ satisfaction with pricing and lead time, among others, for

effectively increased satisfaction and accordingly securing existing customers.

- (18) To effectively keep track of the dynamics of competition and sales on the market and increase the market share with flexible sales strategies.
- (19) To combine strategic partners in the upstream, midstream, and downstream and form a complete sales channel.
- (20) To research and develop high niche products of the next generation for enhanced overall profitability.
- (21) To actively develop the market for solar power generation and energy storage, and accordingly improve the Company's image in environmental protection, green energy, energy conservation, and carbon reduction.
- (22) To continue reinforcing cross-industrial alliance and jointly develop and secure domestic and international markets for various power transmission and distribution.
- (23) To increase the market share of relatively high value-added products, such as: rodent- and termite-resistant, low-smoke and non-toxic, heat-resistant, and flame-retardant cables

II. Overview of Market and Production/Distribution:

(I) Market analysis:

1. Major products: The sales take place primarily domestically, accounting for 99%. For exports, Asia is the main destination.
2. In terms of market share, it is about 10% for power cables, about 10% for communication cables, about 20% for solar power cables.
3. Supply and demand and growth on the market in the future:
 - (1) Domestic market:
 - A. As respective major electronics and iron and steel manufacturers throughout the country continue to expand their plants, their demand for products such as wires and cables is increasing, such as: There is still room for growths in other professional areas such as wind power, solar power photovoltaic, water power generation plants, thermal power plants, energy storage systems, public constructions, and turnkey projects for ultra-high-voltage substations. TRA, MRT, and ports are the focus of sales, too.
 - B. Special cables with niche, such as LSFH, FR, HR, green environmentally-friendly lead-free, and ultra-high-voltage cables, combining their existing strengths, will continue to be proactively promoted in the future for increased market shares.
 - C. As domestic traffic constructions continue to be introduced, the demand for thermal, water, and wind powers is expected to climb.

- D. The increased introduction of domestic urban renewal, suitable housing, youth housing, and social housing projects is driving the demand for wires and cables.
- E. The continuous efforts devoted to secure new constructions of public and private healthcare facilities and green energy and environmentally-friendly construction projects contribute to the growth in the sales of special cables.

(2) International market:

- A. Mainland China, ASEAN, Oceania, and Africa are markets full of potential. The Company will prudently assess its competitive niche in these markets, select suitable partners, and establish local production and sales bases to provide on-site services and enhance competitiveness.
- B. The solar power generation industry has been greatly promoted over the past few years in ASEAN, Japan, and India. Such development trend may be taken advantage of and domestic partners may join the effort to explore the market for power cables and related photovoltaic products.

(3) Competitive niche and favorable and unfavorable factors for future developments and response strategies:

Favorable factors:

- A. Demand for high-voltage cables from the TaiPower transmission and distribution and power generation plan.
- B. Increased demand for high- and low-voltage wires and cables driven by additional thermal power generation units, and enhanced competitiveness in products such as rubber wires and cables.
- C. Demand for expansion from TRA, MRT, ports, and the iron and steel industry.
- D. Demand for power cables driven in the energy industry driven by continuous developments in emerging economies such as the Middle East and ASEAN.
- E. Demand for the development of HV, EV, and PHV automobile lines and demand for the development of new products to be used in rail vehicles.
- F. Development of green lead-free environmentally-friendly cables that meet the EU criteria to go with demand on the market to take the lead on the market.
- G. Continued research and development of new products to be introduced to the market, rapidly enhancing brand image and recognition.
- H. Continued efforts to drive up the demand for EPR and ultra-high-voltage cables as new units are added to the thermal power plant.
- I. Distributors provide monthly forecasts of specifications and quantities each year, enabling effective control of raw material costs and enhancing product competitiveness.
- J. Effectively tracked public and private projects and continued effort to also secure important MRT, thermal power, and wind power cable projects.

- K. Promising growths on the market due to improved throughput to address market demand despite the heated demand for solar power cables that is increasing each day.
- L. Particular addition of construction staff for ultra-high-voltage cables to facilitate acquisition of projects where labor and materials are combined to effectively avoid competition.
- M. Proactive development and growth of industries relevant to the power value chain and the energy value chain and familiar industries based on the years of experience in wires and cables for enhanced opportunities and capabilities to make profits. Then, with the introduced new technologies and developed new products as well as the explored new markets, wait for opportunities to reach out to other businesses or emerging sectors to create corporate value.

Unfavorable factors and response strategies:

- A. The ongoing trade competition between China and the United States and the tense global trade situation have led to sharp fluctuations in the prices of copper and related raw materials, making it more difficult to control costs and markets, resulting in the production and distribution disorder. In the future, production and distribution policies need to be more flexible in order to cope with the changing market at any time.
- B. In light of the low barriers for entry to the general cable industry, the high maturity of its products, the numerous small manufacturers, the uneven product quality, along with price competition eroding margins, the Company will adjust its product mix and focus on developing niche products such as special cables, eco-friendly lead-free cables, electric vehicle cables, and ultra-high-voltage cables to increase gross profits. Meanwhile, consumers will be proactively educated on adopting products carrying the CNS mark to ensure electrical safety.

(II) Application and production of primary products:

1. Product's main purpose:

- (1) Plastic wire/cable: Indoor and electrical/mechanical wiring in buildings.
- (2) 600V-161kV cross-linked PE power cable: Transmission and distribution of high/low-voltage power.
- (3) Low-smoke and non-toxic cable: Indoor wiring of public buildings with high safety requirements.
- (4) Flame-retardant and heat-resistant cable: Powered and alarm equipment wiring of emergency fire prevention systems.
- (5) Control cable: Remote control loop wiring of mechanical equipment.
- (6) Bare copper wire: Conductor for the manufacturing of various types of wires and cables.
- (7) Rubber wire/cable: Wiring of mobile electrical equipment or in a location where tenderness and mobility are required.
- (8) Environmentally-friendly electrical wire: Power transmission in places such as buildings, firefighting stations, or train/bus stations.
- (9) Lead-free PVC wire/cable: General indoor wiring, electrical appliance and equipment wiring, and wiring or power transmission in public buildings without particular requirements.
- (10) Combustion-resistant cable: Fire alarm, emergency power, fire prevention, and illumination systems.
- (11) Termite resistant cable: Transmission and distribution in areas with serious termite hazards; when buried underground, it prevents against bites by termites that lead to erosion and damage of the cable.
- (12) Pre-branch cable: Power transmission in apartment complex, hotels, buildings, emergency power, tunnel illumination, and machinery.
- (13) Gopher resistant wire/cable: The special material and structure prevent against bites by gophers.
- (14) Lead-free low-smoke low-halogen LSLH-FPVC wires and cables for iron and steel plants: 90°C lead-free PVC low-smoke low-halogen combustion-retardant for use in iron and steel plants.
- (15) Smart cable: Power and information monitoring and transmission of transmission or distribution power grids.
- (16) Telecommunication wire/cable: Transmission of information and intelligence with electrical signals sent.
- (17) Digital cable: Wiring between telecommunication sockets for digital and analog signal transmission.
- (18) Solar power cable: Wiring for solar power generation systems.

- (19) Ultra-heat resistant aluminum steel-reinforced conductor: Mainly meant for switching the existing overhead ACSR or ACSR/AW conductor to high-capacity and low-sag ultra-heat-resistant aluminum steel-reinforced conductor.
- (20) 345kV XLPE Cable: Underground transmission cable for long-distance and high-capacity power transmission between ultra-high-voltage substations.

2. Production:

- (1) Wire: bare copper wire, extension, twisting, insulation and extrusion, inspection, packaging.
- (2) Cable: bare copper wire, extension, twisting, congregation, strapping, enveloping, inspection, packaging.
- (3) Bare copper wire: Extension, inspection, packaging.
- (4) Solar power cable: bare copper wire, soldering and twisting, insulation, enveloping, electronic irradiation, inspection, packaging.

(III) Supply of primary raw materials:

- 1. Copper (electro-copper sheets and bare copper wires): One of the primary raw materials of the Company, the electro-copper sheet, comes from the international market and Japan, among other areas. More than 80% of them are subject to long-term procurement contracts; the supply is not a concern. Bare copper wires, on the other hand, are mainly bought from several suppliers in the country or processed by external contractors; they are adequately controlled.
- 2. Auxiliary material (PVC powder, plasticizer, and XLPE particle): PVC powder and the plasticizer are mainly supplied by CHINA GENERAL PLASTICS CORP. and NAN YA PLASTICS CORPORATION while the XLPE particles are supplied by world-famous manufacturers in the US, Japan, and Korea, among others. The partnership has been optimal and ongoing for years.

(IV) Consolidated list of primary suppliers and major sales customers over the past two years:

1. Consolidated information of primary suppliers over the past two years:

Unit: NTD thousand

Item	2024				2025				2026, up to the previous quarter (Note 1)			
	Name	Amount	Total annual net purchase ratio [%]	Relationship with issuer	Name	Amount	Total annual net purchase ratio [%]	Relationship with issuer	Name	Amount	Ratio in net purchases of the year up to the previous quarter [%]	Relationship with issuer
1	A	1,868,120	32.74	The Company is the director of the said company.	A	2,461,888	39.55	The Company is the director of the said company.	A	644,750	39.51	The Company is the director of the said company.
2	B	1,243,275	21.79	None	B	1,077,771	17.31	None	C	290,825	17.82	None
									D	167,537	10.26	None
	Other	2,593,786	45.47		Other	2,684,999	43.14		Other	528,905	32.41	
	Net purchases	5,705,181	100.00		Net purchases	6,224,658	100.00		Net purchases	1,632,017	100	

Note 1: List the names of suppliers accounting for at least 10% of the total purchases over the past two years and the value and ratio of their purchases. When the names of suppliers or counterparts may not be disclosed as agreed in contracts are individuals and non-related parties, however, they may be replaced with a code.

Note 2: As of the date the Annual Report was printed, if the latest financial information of companies that are listed or whose stocks are already being traded at the business locations of securities dealers that has been audited, certified, reviewed, or approved by the CPAs is available, it shall be disclosed as well.

2. Consolidated information of primary customers over the past two years: Unit: NTD thousand

Item	2024				2025				2026, up to the previous quarter (Note 1)			
	Name	Amount	Ratio in annual net sales [%]	Relationship with issuer	Name	Amount	Ratio in annual net sales [%]	Relationship with issuer	Name	Amount	Ratio in net sales of the year up to the previous quarter [%]	Relationship with issuer
1	A	2,679,485	40.70	None	A	3,571,261	47.30	None	A	781,465	40.72	None
									B	203,541	10.60	None
	Other	3,904,419	59.30		Other	3,979,199	52.70		Other	934,320	48.68	
	Net sales	6,583,904	100.00		Net sales	7,550,460	100.00		Net sales	1,919,326	100.00	

Note 1: List the names of customers accounting for at least 10% of the total sales over the past two years and the value and ratio of their sales. When the names of customers or counterparts may not be disclosed as agreed in contracts are individuals and non-related parties, however, they may be replaced with a code.

Note 2: As of the date the Annual Report was printed, if the latest financial information of companies that are listed or whose stocks are already being traded at the business locations of securities dealers that has been audited, certified, reviewed, or approved by the CPAs is available, it shall be disclosed as well.

III. Information of In-service Employees:

Information of in-service employees over the past two years up to April 30, 2026:

Year		2024	2025	As of the year up to April 30, 2026
Number of employees	Managers	118	117	118
	Technicians	52	47	49
	Operators	104	104	99
	Total	274	268	266
Mean age		43.61	43.66	44.02
Average years of service		9.37	9.25	9.23
Academic distribution ratio %	Ph.D	0.36	0	0
	Master's Degree	6.57	7.09	7.14
	University and College	32.85	43.66	43.98
	Senior High School	52.19	41.42	42.11
	Below Senior High School	8.03	7.83	6.77

IV. Information of Environmental Protection Expenditure:

(I) Application for permits for setting up polluting facilities as required by law:

The Company has applied for, as required by law, permit for setting up and manipulating fixed sources of pollution, permit for discharging waste water, waste cleaning plan, and dedicated class B environmental technicians.

Item	Issuing competent authority	License No.	Acquired on
Waste Water Discharge Permit	Guanyin Industrial Park Service Center	Bei-Guan-Zi No. 1145080219	2025.02.06
Water Pollution Prevention Permit	Taoyuan City Government	Taoyuan City Environment Discharge Permit No. H2531-09	2024.11.07
Air Pollution Operation Permit	Taoyuan City Government	Operation License No. H7150-01	2024.11.08
Air Pollution Specialist	Ministry of Environment	(87)EPA Training Certificate No. FB271190	1998.10.08
Waste disposal professional technicians	Ministry of Environment	(113)Ministry of Environment YAN-ZHENG-ZI No. HB30479	2024.04.17
Waste cleaning plan	Taoyuan City Government	H09207220001	2025.05.09

(II) Losses due to environmental pollution (including compensation) and total fines during the most recent year up to the date the Annual Report was printed: None.

V. Labor-Management Relations:

(I) Implementation of the employee welfare system, continuing education, educational training, the retirement system, and various measures regarding employee code of conduct and ethics and labor-management agreement:

1. Employee benefits: The Company has been adhering to its business philosophy of “integrity and honesty, innovation and advancement” and is committed to fulfilling corporate social responsibility and creating a friendly and supportive working environment, so as to improve the quality of life of employees and promote harmonious labor-management relations.

In addition to complying with local laws and regulations, the Employee Welfare Committee was established on November 6, 1986. It sets aside the welfare fund to encourage employees to organize various clubs and activities so that they can relax their body and mind, exchange with one another, engage themselves in affectionate communication, their efficacy at work can thus be improved. Such benefits include the following:

- (1) Leave: All types of leave are subject to the Labor Standards Act, the Gender Equality in Employment Act and other relevant laws and regulations.
 - (2) Meal: There is the employee cafeteria in the plant that prepares three meals for employees.
 - (3) Insurance: Labor insurance, national health insurance, employee group medical and accident insurance and overseas travel insurance.
 - (4) Prize: There are the performance prize, year-end prize, and employee remuneration.
 - (5) Gift money: There are the wedding gift money, child birth gift money, birthday gift money, and three major festival gifts.
 - (6) Subsidies for recreational events: There are the subsidies for club events and travels and also the year-end congress.
 - (7) Other subsidies: There are the emergency aid, hospitalization, and funeral subsidies that may be applied for.
 - (8) Health protection plan for female employees: We arrange nurses to provide on-site services and consultations for pregnant employees, set up lactation rooms, provide family care leave and parental leave, and contract with childcare institutions to provide a safe childcare environment.
2. Employee continuing education and training: The Company is devoted to nurturing talent and emphasizes counseling of new hires. There are devoted counselors to help new hires. In terms of continuing education and training of employees, on the other hand, there are regular and irregular internal educational training and outsourced training courses held for each function. The courses can be divided into: professional functional courses, managerial skill courses, general courses, and quality management courses; they are meant to improve product quality and performance at work and to proactively nurture professionals and help employees acquire professional licenses. Meanwhile, to encourage employees to attend in-service education and learning sessions, they are combined in the employee performance evaluation system, the employee reward evaluation system, the employee promotional system, and professional assignments, among others, for the ultimate purpose of having the right person in the right position doing the right thing.

The results of the Company's 2025 education and training are as follows. The training courses include new employee orientation, professional training, management skills, and general training:

Item			Total Cost (\$1,000)
Class No.	Session	121	290
Total number of trainees	Number of people	287	
Total training hours	Hour	2,441	
Average training hours	Hour(s) / person	8.5	

3. Retirement system: The Company has already set its retirement system as required by law by creating the Supervisory Committee of Labor Retirement Reserve on March 16, 1987. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. Under the defined

benefit pension plan, two units are accrued for each year of service for the first 15 years (inclusive) and one unit for each additional year thereafter, subject to a maximum of 45 units. The retirement reserve of the Company is set aside and deposited in an exclusive account with the Bank of Taiwan in accordance with the Labor Standards Act. The settled balance of such exclusive account as of March 31, 2026 totaled NT\$67.62 million.

Starting from July 1, 2005, for employees who have chosen the new pension system or are applicable under the new pension system according to the Labor Pension Act, a monthly contribution of 6% of their total wages and salaries will be made to their personal pension account. For those who voluntarily contribute to the pension fund, the contribution rate will be deducted from the employees' monthly salary and paid to their personal pension account at the Bureau of Labor Insurance.

4. Employee code of conduct or ethics: The Company fulfills its corporate social responsibility and its obligation to educate its employees. Highlights of regulations at work are summarized as follows:
 - (1) Strictly follow regulatory requirements and practice social ethics and morality.
 - (2) Be loyal and honest and follow all operating regulations and procedures of the Company, follow the leadership of supervisors at all levels and the assigned tasks, and accept professional and technical guidance and supervision modestly.
 - (3) Demand yourself by not being opportunistic and not finding excuses for what you have done wrong; and you shall get along with colleagues and honor the idea of helping and working with one another.
 - (4) You shall be thrifty and simple in life and do not make extravagance and waste a habit.
 - (5) Precisely keep the workplace and equipment tidy and clean and fulfill your responsibility to treasure and carefully maintain public properties.
 - (6) Save whenever you can on raw materials, supplies, and office stationery; do not waste resources.
5. Measures to protect the workplace and personal safety: To ensure that the workplace and the employees are safe, the Company implements the managerial cycle of plan do, check, and act (PDCA) and measures taken to protect employees against accidents and ensure that employees are safe include:
 - (1) Establishment of the labor safety and health system, enforcement of the disaster prevention plan and formation of the disaster emergency response team, implementation of regular and irregular trainings for the sake of reducing occupational hazards and protecting the safety of employees and the workplace.
 - (2) As is required by the Labor Safety and Health Management Code, the Labor Safety and Health Management Committee and exclusive units are set up. They meet periodically to comprehensively reflect upon improvement of labor safety measures.
 - (3) As far as the workplace and machinery/equipment are concerned, the Company enforces the 5S, 6S, and PDCA systems. They are periodically maintained and cared for; employees are educated; and they continue to be tracked and inspected to seek improvements, creating a quality people-centered quality workplace and safe procedures for operating the machinery and equipment.
 - (4) Various labor safety-related educational training is enforced and internal training and outsourced training are organized periodically and from time to time and are announced and communicated to instill the idea about industrial safety being everyone's responsibility and to accordingly fulfill the zero hazard goal.
6. Labor-management agreement: The Company values the rights and benefits of its employees and has a variety of reward systems in place. Plants hold labor-management meetings according to the Labor Standards Act and the Labor-Management Meeting Guidelines. Labor-management interactions are harmonious. No labor-management disputes have occurred.

- (II) Losses arising as a result of labor-management disputes in the most recent year up to the date the Annual Report was printed and disclose possible estimated amounts and countermeasures now and in the future; if they cannot be reasonably estimated, facts about the impossibility to reasonably estimate shall be clarified:

None.

VI. Information and Communication Security Management:

- (I) Information and communication security risk management framework:

The responsible unit for information and communication security is the information center. It is responsible for planning, implementing, and promoting information and communication security management and communicating awareness of information and communication security to our people from time to time.

The Audit Office is the unit for auditing information security governance. It performs audits periodically to find out implementation deficiencies and asks the auditee to come up with related correction plans and submits them to the Board of Directors as well as follows up on the improvement status periodically in order to minimize internal information and communication security risks.

For the operational model, annual PDCA management is adopted to ensure fulfillment of reliable information and communication and constant reflection and improvement.

- (II) Information and communication security policy:

For the sake of maintaining the Company's information and communication security belief, data stored or transmitted by the Company shall be thoroughly protected and safeguarded in order to prevent against destruction, computer viruses, leakage, abuse, and infringement, among others. The policy is described as follows:

1. Information and communication security measures shall meet the requirements of government laws and applicable requirements of the Company's information security policy and internal control regulations. All information security control or procedures shall be developed, revised, and established in compliance with internal information control regulations.
2. All staff and suppliers and customers of the Company, should they need information to be provided by the Company, must follow the required procedure and designated regulations in honor of this policy.
3. Information and asset managers at respective departments of the Company shall be responsible for the information or assets within their field or held by them and have a monitoring procedure in place for the use status so that potential risks of system or unit information abuse may be uncovered at any time; it reinforces the confidentiality, usability, and integrity of the data.
4. All staff shall report safety events, safety weaknesses, and violations of safety policies and procedures through appropriate reporting channels.
5. Work assignment shall take into consideration division of labor; functions and scope of responsibilities shall be separated in order to prevent against unauthorized modification or misuse of information or service.
6. It is strictly prohibited that people install, use, or download illegal or unauthorized software in Company's information equipment.
7. The Company will revise its information security policy periodically and enforce it in order to enhance operational safety of respective information systems.
8. Anyone that jeopardize information security shall be sought after for his/her civil, criminal, and administrative liabilities and be punished accordingly, depending on the circumstances.

(III) Specific Safe Management Plans and Resources Devoted to Information and Communication Security Management:

Information security management solution		
Category	Description	Related measures
Access control	User account, access control, and system operation	1. User account access control and review 2. Periodic inventory check of user account permissions
Access control	Control over access by staff to internal and external systems and data transmission channels	1. Internal/external accessible scope-defined control measures 2. Operational track record
External threat	Internal potential weaknesses, virus attack channels, and protective measures	1. Host/computer weakness detection and update measures 2. File and mail virus protection and malware detection 3. Firewall protection and malware detection
System usability	System usable status and management in case of discontinued service	1. System/network usable status monitoring and reporting mechanism 2. Information backup measures, local/remote backup mechanism 3. Periodic disaster recovery drill
Educational training and communication	Communication of information security risk cases from time to time	1. Communication of information security risk cases from time to time

Input of information security management resources	
Item	Description
Information Security Specialist	Two information security specialists are in place
External Firewall	Reinforce the security of external gateways. For the network gateway, the new-generation Layer 7 firewall is adopted.
External Network Access Line	Strengthen line security; for external network access lines, reflective of the service difference and importance, line information security service has been applied for with Chunghwa Telecom. It is combined with the new-generation firewall to exercise dual external defense effects.
Anti-virus System	The latest ApexONE anti-virus system of Trend Micro is configured; it can detect and remove general system viruses and also reinforce website credit rating, detect and keep off suspicious connections, monitor behavior, and control access of surrounding equipment, among others.
Terminal computer (PC, NB)	Reinforce terminal computer safety management and gradually eliminate early-stage operating systems; at present, more than 99% of the terminal computers are of Windows 11 or higher-level operating systems.
Cybersecurity solutions	Implemented a 3-2-1 disaster recovery architecture by adding a second physical backup and deploying an offline cloud backup mechanism in collaboration with Chunghwa Telecom; the system has been fully implemented and is now in operation.

Item	Description			
Cybersecurity planning	Conducted social engineering simulation exercises to emulate hacker tactics. A total of 690 simulated phishing emails were sent to 138 participants, testing and educating employees on phishing and fraud techniques, thereby enhancing awareness and strengthening defenses against social engineering attacks.			
Education and training	In accordance with the Guidelines for Information Security Control of Listed and OTC Companies, annual cybersecurity awareness training and social engineering exercise training courses were provided to employees who use information systems.			
	Course	Sessions	Participants	Training hours
	Information security training	1	57	2 hours per person
	Social engineering exercises	1	63	40 minutes per person

(IV) Losses arising as a result of major information and communication security incidents in the most recent year up to the date the Annual Report was printed and the possible impacts and countermeasures; if they cannot be reasonably estimated, facts about the impossibility to reasonably estimate shall be clarified:

No major information and communication security incidents occurred in the most recent year and up to the date the Annual Report was printed.

VII. Important Contracts: None.

E. Review and Analysis of Financial Position and Business Performance, and Risk Items

I. Consolidated Financial Position - International Financial Reporting Standards:

Unit: NTD thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current asset	5,271,507	4,933,203	338,304	6.86
Funds and investments	2,766,244	2,085,913	680,331	32.62
Real estate, plants, and equipment	1,374,005	1,311,126	62,879	4.80
Investments and other assets	272,986	332,607	(59,621)	(17.93)
Total assets	9,684,742	8,662,849	1,021,893	11.80
Current liability	1,036,208	902,831	133,377	14.77
Non-current liability	165,500	159,942	5,558	3.48
Total liabilities	1,201,708	1,062,773	138,935	13.07
Capital stock	3,160,801	3,160,801	-	-
Capital reserve	200,074	191,704	8,370	4.37
Retained earnings	4,707,926	4,349,081	358,845	8.25
Other equities	412,884	(103,909)	516,793	497.35
Treasury stock	-	-	-	-
Non-controlling interest	1,349	2,399	(1,050)	(43.77)
Total equity	8,483,034	7,600,076	882,958	11.62

Note: Information on primary causes of major changes to assets, liabilities, and shareholder's equity in the past year (such change(s) between the previous and subsequent periods shall be 20% and above and the amount of change(s) shall be NT\$10 million and above) and their impacts and the countermeasures in the future.

Primary cause:

Funds and investments: Primarily due to an increase in both the number of investees and their valuation during the current period.

Other equities: Mainly because of the increase in unrealized profits or losses from FVOCI valuation. Upon review of the valuation process and overall stock market conditions, the valuation is considered reasonable.

Impacts: No major impacts.

Countermeasures in the future: Not applicable.

II. Financial Performance:

(I) Consolidated financial performance analysis - International Financial Reporting Standards:

Unit: NTD thousand

Item	2025		2024		Increase (Decrease) Amount	Change Ratio
	Subtotal	Total	Subtotal	Total		
Operating income						
Sales income	7,578,641		6,613,199		965,442	14.60
Less: Rejected sales	6,533		144		6,389	4,436.81
Sales discounts	21,648		29,151		(7,503)	25.74
Net operating income		7,550,460		6,583,904	966,556	14.68
Operating cost		6,426,227		5,541,050	885,177	15.97
Operating gross profit		1,124,233		1,042,854	81,379	7.80
Operating expense		244,483		242,691	1,792	0.74
Operating profit (loss)		879,750		800,163	79,587	9.95
Non-operating income and profit		291,148		171,898	119,250	69.37
Non-operating expenditure and loss		(116,763)		(27,158)	(89,605)	329.94
Pre-tax profit		1,054,135		944,903	109,232	11.56
Expected profit (expenditure) from income tax		(179,935)		(191,676)	11,741	6.13
Net profit of current term		874,200		753,227	120,973	16.06

Information on the analysis of variation in the ratio of increase/decrease:

Non-operating income and profit: The variance was mainly due to an increase in dividend income and gains on disposal of FVTPL during the current year.

Non-operating expenditure and loss: The variance was mainly due to the recognition of impairment losses of affiliates during the current year.

Expected sales volume for the coming year.

Major product	Sales volume (Annual budget)
Power cable	18,718 tons
Bare copper wire	272 tons
Communication cable	100 tons
Total	19,090 tons

III. Cash Flows:

Unit: NTD thousand

Cash balance at start of term (1)	Annual net cash flows from operating activities(2)	Annual cash flows from investment and fund-raising activities(3)	Impacts from changes in exchange rates (4)	Cash balance (shortage) (1)+(2)+(3)+(4)	Remedies for shortage in cash	
					Investment plans	Fundraising plans
781,120	1,363,990	(691,126)	(3,651)	1,450,333	Not applicable	Not applicable

(I) Analysis of variance in current flows for the year:

1. Net cash inflows from operating activities: Cash inflow from operating activities this period increased compared to the previous year, mainly due to improved collection efficiency from key customers. As a result, year-end accounts receivable decreased significantly compared to the prior year.
2. Net cash outflow for investment activities: Cash outflows from investing activities for the current period amounted to NT\$18,399 thousand, representing a significant decrease from the previous year. This was primarily due to an increase in the disposal of financial assets measured at fair value through other comprehensive income (FVOCI) during the current period compared with the previous period.
3. Net cash outflow for fund-raising activities: The cash outflow from financing activities for the current period amounted to NT\$672,727 thousand, mainly due to the distribution of cash dividends of NT\$663,768 thousand for the 2024 earnings distribution proposal.

(II) Remedies in case of cash shortage and liquidity analysis:

Not applicable because the Company does not have cash shortage.

The liquidity analysis is provided below:

	2025	2024	Variation ratio (%)
Cash flow ratio (%)	131.63	(5.11)	(2,675.93)
Cash flow adequacy ratio (%)	44.07	27.78	58.64
Cash Reinvestment Ratio (%)	7.09	(7.63)	(192.92)

Information on the variation in the ratio of increase/decrease:

1. Cash flow ratio: The year-on-year increase in the ratio was mainly because of the climbing cash inflows from operating activities. Please refer to (I) 1 for the reasons.
2. Cash flow adequacy ratio: The ratio showed a year-on-year increase mainly because of the increase in cash dividends paid over the past five years in the current period compared with the previous period.
3. Cash Reinvestment Ratio: This ratio showed a year-on-year increase because of the increased cash dividends paid compared to the previous period and the cash inflows from operating activities in the current period.

(III) Analysis of cash flow liquidity for the coming year:

Cash balance at start of term (1)	Expected annual net cash flows from operating activities(2)	Expected annual net cash flows from investment and fund-raising activities (3)	Estimated cash balance (shortage) (1)+(2)+(3)	Expected remedies in case of cash shortage	
				Investment plans	Fundraising plans
1,450,333	579,626	(1,471,842)	558,117	Not applicable	Not applicable

1. Analysis of expected variance in cash flows:

(1) Expected annual net cash flows from operating activities:

Net cash in-flows of operating activities mainly come from operating income.

(2) Expected annual net cash flows from investment and fund-raising activities:

A. Investing activities: Net cash outflow from investment activities was mainly

due to the procurement of plant and equipment update.

B. Fund-raising activities: Net cash out-flows of fund-raising activities are meant mainly to pay back borrowings from banks and to distribute cash dividends.

2.Expected remedies in case of cash shortage and flow analysis:

Not applicable because the Company does not have cash shortage.

IV.Impacts of significant capital expenditure on financial operations in 2025:

(I) Utilization and funding source of major capital expenditure:

The total major capital expenditures for 2025 amounted to approximately NT\$92 million. The primary source of funding was internally generated operating cash flows. The expenditures were mainly used for factory renovation, procurement of machinery and equipment, and process improvements.

(II) Expected possible benefits:

The above capital expenditures are expected to expand product offerings, enhance production efficiency, and optimize manufacturing processes. These improvements will help strengthen product quality, reduce costs, and thereby enhance operational performance and long-term corporate competitiveness.

V.Reinvestment policy in 2025 and main reasons for profits or deficits and the improvement plan as well as the investment plan for the coming year:

(I) The Company's reinvestment strategy focuses on monitoring major global and domestic issues and diversifying investments across different sectors in a timely manner.

(II) Main reasons for reinvestment gains in 2025:

Following the election of U.S. President Donald Trump, concerns over reciprocal tariffs triggered global market panic. Subsequently, inflation cooled, and the U.S. Federal Reserve started a gradual interest rate cut cycle, leading to a moderate economic recovery and improving global economic outlook. In terms of benefiting industries, the AI server market continued to perform strongly, with growth observed in memory, low-earth-orbit satellites, raw materials, semiconductor equipment, and energy sectors, while awaiting further expansion in end-user hardware and software demand. As for the international war situation, geopolitical tensions also eased, with conflicts in Russia-Ukraine and parts of Latin America showing signs of de-escalation, creating potential post-war reconstruction opportunities. In the long-term investment areas of smart healthcare and biotechnology, only limited market-driven product surges were observed in 2025, with expectations for gradual realization in the coming years.

Overall, the market experienced significant volatility in 2025, with capital heavily concentrated in the AI semiconductor sector. As U.S.-centric policies' influence on global supply chains increases, long-term investment strategies must be managed with greater caution.

(III) The 2026 reinvestment plan considers the following directions:

The future impact of U.S. tariff and trade policies, including Section 301 measures, on the international economy remains unclear. In addition, the recent rapid escalation of conflicts in the Middle East and rising oil prices may increase the risk of stagflation and even hinder global economic growth. These developments will require close monitoring to mitigate risks and identify suitable investment opportunities to benefit from. In terms of popular investment themes, the Company will focus on investments related to the continued development of semiconductor industry and raw material demand, the practical application of AI technologies, and high-dividend financial products. At the same time, attention will also be given to the recovery of the Chinese economy and the development of emerging markets. The investment focus in 2026 will be on monitoring risks such as stagflation, raw material supply-demand fluctuations, and geopolitical tensions that may lead to economic slowdown. Given the high base period and increased market volatility, for short-term

investments, the Company will adopt a flexible and agile approach, promptly dispose of holdings to realize investment gains through short-term trading strategies. In terms of long-term investment, the Company will continue industry sector research, strengthen post-investment management, and explore long-term investment opportunities.

VI. Analysis and Evaluation of Risk Matters:

(I) Impacts of changes in interest rate and exchange rate and inflation on the Company's profits or losses in the past year and the countermeasures in the future.

1. Impacts of changes in interest rate in the past year on the Company's profits or losses and the countermeasures in the future:

Unit: NTD thousand

Item\Year	2025
Consolidated net interest income (expenditure) (1)	10,492
Consolidated operating income (2)	7,550,460
Consolidated operating profit (loss) (3)	879,750
(1)/(2)	0.14%
(1)/(3)	1.19%

The Company's consolidated net interest of 2025 was an income of NT\$10,492 thousand, accounting for 0.14% and 1.19%, respectively, of the consolidated operating income and operating profit for the same year and an decrease from 2024, mainly because of the decrease in the amount of time deposits in 2025. Due to the fact that interest expenditure of the Company does not account for a large ratio, in cases of rising interest rates in the future, there will be no major impacts on the Company because of changes in interest rate. In case of any demand for funds in the future, on the other hand, the Company will take the following countermeasures depending on the circumstances:

- (1) In the future, depending on the operating conditions and funding needs, the Company will initiate capital increase in cash or issue commercial papers and corporate bonds as appropriate, or obtain short- and long-term financing from financial institutions to mitigate interest rate risks
- (2) The Company will regularly assess borrowing interest rates offered by financial institutions while at the same time obtaining the average interest rate on the market and keep in close contact with them in order to secure the most favorable interest rate for borrowings.

2. Impacts of changes in exchange rate on the Company's profits or losses and the countermeasures in the future:

Unit: NTD thousand

Item\Year	2025
Consolidated net foreign currency exchange (loss) profit (1)	3,264
Consolidated operating income (2)	7,550,460
Consolidated operating profit (3)	879,750
(1)/(2)	0.04%
(1)/(3)	0.37%

The Company's 2025 consolidated net foreign exchange gain was NT\$3,264 thousand, accounting for 0.04% and 0.37%, respectively, of the consolidated operating income and operating profit for the same year, which was mainly due to changes in foreign exchange rates. Due to the fact that foreign exports do not account for a large ratio of the Company's revenue, the changes in the exchange rates of NTD versus USD and other currencies have limited impacts on the Company profits or losses. Nevertheless, the Company has been paying attention to the fluctuating exchange rates on the international market and continues to impose the following countermeasures:

- (1) Remain in close contact with the Foreign Exchange Department of each corresponding

financial institution and collect information about changes in exchange rate at all times in order to fully keep track of trends in exchange rate, among other, and to proactively deal with negative impacts brought about by fluctuating exchange rates.

- (2) Open deposit accounts for foreign currencies and adjust the positions of foreign currencies held reflective of the actual demand for funds and trends in exchange rate.
- (3) Support expenditure for purchases with income from sales in the same currency as a hedging approach.

3. Impacts of inflation on the Company's profits or losses and the countermeasures in the future:

Prices of raw materials and supplies have been fluctuating recently due to the international economic and political situations. The Company will continue to pay close attention to inflation and changes in purchase orders, adequately adjust prices of products and the inventory of raw materials and supplies in order to reduce the impacts of inflation on the Company and sign long-term purchase contracts on major raw materials with collaborative suppliers in order to reduce impacts from fluctuating prices of major raw materials and supplies.

(II) Policies on high-risk, high-leverage investments, lending to others, endorsements/guarantees, and transactions of derivative financial instruments, main causes of profits or losses, and countermeasures in the future:

Affected Item	Policy	Main cause of profit or loss	countermeasure in the future
High-risk/high-leverage investment	The Company focuses on its mainstream business and is not engaged in high-risk/high-leverage investments.	None	None
Lending to others	1. Lending occurs only to subsidiaries; there are no funds lent to other companies and the value has not been out of bound. 2. The Company's "Operating Procedure for Lending Funds to Others" is followed.	None	None
Endorsements and guarantees	1. Endorsements and guarantees occur only to subsidiaries; there are no endorsements or guarantees for other companies and the value has not been out of bound. 2. The Company's "Procedure for Processing Endorsements and Guarantees" is followed.	None	None
Experience in the transactions of derivative financial products	1. The Company deals with derivative financial instruments mainly for hedging transactions of operating and investing activities and has not engaged in trading of derivatives for the purpose of speculation. 2. The Company's Procedure for Acquiring or Disposing of Assets is followed.	None	None

(III) Future R&D programs and expected R&D investments:

1.R&D programs in the past year:

R&D programs in the past year	Date of completion
1. Development of nylon coatings for anti-termite cables	2018
2. Development of 33kV XLPE-MDPE anti-gopher/termite cables	2019
3. Development of UL solar power cables	2019
4. Development of IEC/EN solar power cables	2020
5. Development of ultra-heat-resistant aluminum steel-reinforced conductors	2020
6. Development of wind power cables	2020
7. Development of hypalon lead cables	2020
8. Novel structure flame-retardant cables	2020
9. Gopher and termite resistant UL PV cables	2020
10. Development of IEC/EN termite resistant PV cables	2021
11. Ultra-high voltage PVC termite resistant materials	2021
12. Development of ultra-high voltage PVC gopher and termite resistant materials	2022
13. Development of IEC/EN gopher and termite resistant PV cables	2023
14. Low smoke non-toxic gopher and termite resistant cables	2024
15. Water-Blocking PV Cable	2025
16. Charging Gun Cable	2025

2. Pending additional R&D investments, expected time of completion of mass production, current progress, and major influential factors for successful R&D in the future:

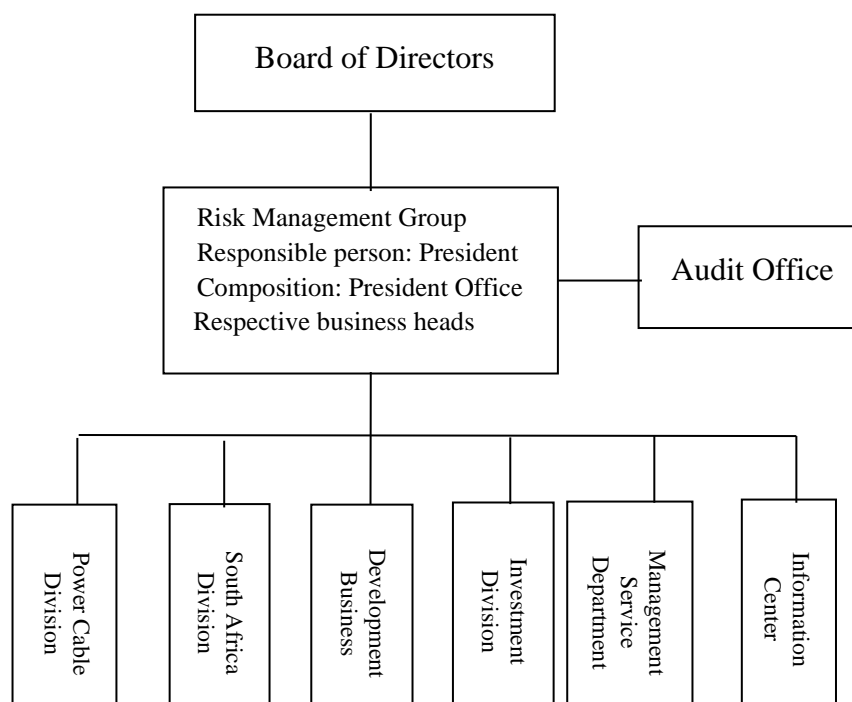
No.	R&D item	R&D expenditure	Expected time of completion of mass production	Current progress	Major influential factors for successful R&D in the future
1	UL Electronic Wire	1 million	October 2026	40%	<ol style="list-style-type: none"> 1. Production technology upgrade and product verification 2. Product quality and application of innovative technology 3. Increased market demand
2	Charging Gun Cable	0.6 million	September 2026	60%	<ol style="list-style-type: none"> 1. Suitability of processing equipment 2. Production technology upgrade and product verification 3. Increased market demand
3	Super heat-resistant steel core aluminum wire	14 million	December 2026	60%	<ol style="list-style-type: none"> 1. Suitability of processing equipment 2. Production technology upgrade and product verification 3. Product application market expansion
4	230kV XLPE cables	3 million	December 2026	50%	<ol style="list-style-type: none"> 1. Suitability of processing equipment 2. Production technology upgrade and product verification 3. Increased market demand
5	345kV XLPE cables	3 million	December 2027	50%	<ol style="list-style-type: none"> 1. Suitability of processing equipment 2. Production technology upgrade and product verification 3. Production quality improvement and application of innovative technologies

- (IV) Major changes in government policies and laws at home and abroad, the impact on Company finance and business, and response measures: None.
- (V) Impacts of technological and industrial changes on the Company's finance and countermeasures:
The sluggish global economy impacts the market as a whole significantly; nevertheless, the demand for new materials and products remains. As the international society is paying increased attention to the quality of products and improvement in technical capabilities as well as the needs of domestic and international customers, new products will be developed in the most economical way in 2024. New products that combine design and technical application of new technological materials and meet the demand on the market will be developed in order to explore business opportunities. Examples include: green-energy new materials, 230kV XLPE cables, 345kV XLPE cables, among other new products. Meanwhile, competitive and technical capabilities will be improved to expand the market share and to improve the corporate image and profitability.
- (VI) Impacts of change in corporate image on corporate crisis management and the countermeasures: None.
- (VII) Expected benefits and possible risks of mergers and acquisitions and the countermeasures: None.
- (VIII) Risks facing focused purchases or sales and the countermeasures:
Copper and copper sheets for wires and cables are obtained directly from the international market. Copper strips, on the other hand, are from multiple domestic OEM contractors or are bought directly. There are no risks of focused purchases. PVC powder is sufficiently supplied by domestic heavyweights. The price is transparent and there are sufficient sources of supply both domestically and internationally to ensure long-term stability. XLPE particles are provided by the world's two largest chemical groups and the partnership has been optimal over the long term. The cost fluctuates with the price of crude oil.
For the sales of power wires and cables, besides the TaiPower transmission project, there are other institutional users such as CPC, TRA, and MRT and more than a hundred other public projects, distributors and agents. The market is decentralized. There is no risk of focused sales, either.
Telecommunication cables are known for their ample sources of materials, mature processing techniques and steady quality and purchase order-based production model that is relatively free of the inventory stress and risk. Their sales, however, are focused on fixed network operators. Countermeasures include continuous development of new markets, etc.
For peripheral solar power parts and components, as the government proactively promotes renewable energy and the clause for major electricity consumers is enforced, related demand is climbing rapidly and it is required to proactively explore a second source to decentralize the procurement risk. As far as sales are concerned, it is required to continue increasing domestic and international customers for decentralization of the distribution risk.
- (IX) Impacts of extensive transfer or swap of shares by directors, or major shareholders holding over 10% of shares on the Company and the risks and countermeasures: None.
- (X) Impacts of change in management on the Company and the risks and countermeasures: None.
- (XI) Disclosure of lawsuit or non-lawsuit events whose outcome had major impacts on the shareholder equity or prices of securities: None.
- (XII) Other significant risks and countermeasures:

In light of the increasing threat on the Internet, related protection is in place and the matching digital software and hardware equipment as well as close collaboration with information security and related service providers is being reinforced each year. In 2025, the Company did not find any major cyber attacks and there were no incidents with existing or imminent significant impacts on the Company's sales and operation.

(XIII) Organizational structure of risk management:

Unit	Functions and Responsibilities
Board of Directors	The Company's Board of Directors is the highest risk management body in the Company; it is responsible for finalizing the risk management policy and structure and ensuring that the operational strategy and direction are consistent to the risk management policy.
Risk Management Group	The President is the person in charge of the Group; he/she is responsible for organizing and supervising the implementation and operations associated with risk management as a whole and top-ranking managers of respective business units and the President's Office are members of the Group.
Audit Office	The Audit Office reports to the Board of Directors. The Annual Audit Plan is prepared with reference to the risk management policy and risk assessment findings. Respective business units are audited in compliance with the Plan and the Company's internal control system.
Respective Business Units	Respective business units shall specifically identify, analyze, evaluate, and respond to various encountered risks to ensure that their risk management and related control procedures are effectively enforced and the risk control involved is within a bearable range.

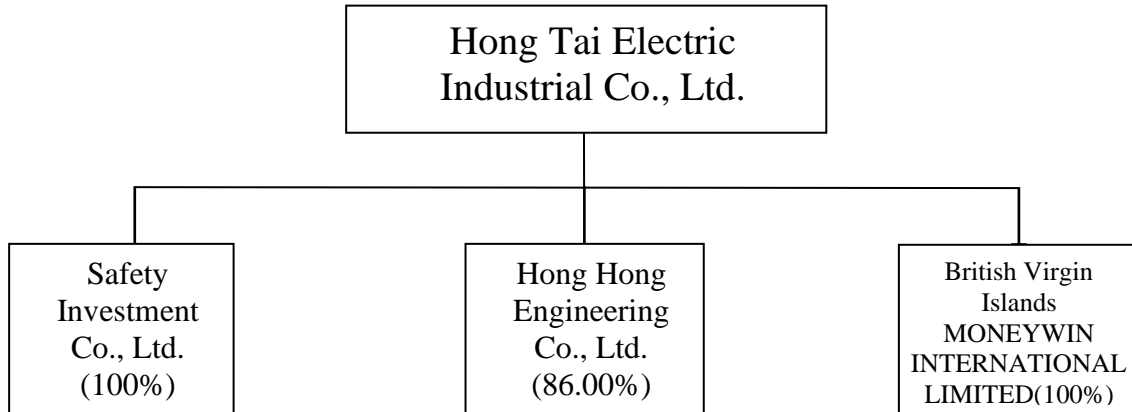


VII. Other Important Matters: None.

F. Special Disclosures

I. Profiles of affiliates:

(I) Organizational chart of affiliates (February 28, 2026):



(II) Profiles of affiliates:

Unit: \$ 1,000

Name of business	Date of establishment	Address	Paid-in capital size	Main scope of operation or production
Safety Investment Co., Ltd.	1994.09.13	20F., No. 65, Sec. 2, Dunhua S. Rd., Taipei City	88,000	General investment
Hong Hong Engineering Co., Ltd.	2005.01.19	No. 248, Zhongshan North Road, Dayuan District, Taoyuan City	41,580	Cable installation engineering
British Virgin Islands Moneywin International Limited	1997.05.15	VISTRA CORPORATE SERVICES CENTRE, WICKHAMS CAY II, ROAD TOWN, TORTOLA, VG1110, B.V.I.	USD4,431	General investment

(III) Information of Directors, Supervisors, and Presidents of Affiliates:

Unit: share/%

Name of business	Title	Name or representative	Number of shares held	
			Number of shares	Shareholding ratio
Safety Investment Co., Ltd.	Chairman	Hong Tai Electric Industrial Co., Ltd. (Representative: Chen Liang-Hua)	8,800,000 shares	100.00%
	Director	Hong Tai Electric Industrial Co., Ltd. (Representative: Chen Chih)		
	Director	Hong Tai Electric Industrial Co., Ltd. (Representative: Chang Ping-Jen)		
	Supervisor	Hong Tai Electric Industrial Co., Ltd. (Representative: Pan Shao-Ping)		
	Supervisor	Hong Tai Electric Industrial Co., Ltd. (Representative: Chang Xiao-Ming)		
		Hong Tai Electric Industrial Co., Ltd. (Representative: Yang Meng-Shan)		
		Hong Tai Electric Industrial Co., Ltd. (Representative: Liao Huang-Zuo)		
Hong Hong Engineering Co., Ltd.	Chairman	Hong Tai Electric Industrial Co., Ltd. (Representative: Yu Shih-wei)	3,575,880 shares	86.00%
	Director	Hong Tai Electric Industrial Co., Ltd. (Representative: Shen Wei-Nan)		
	Supervisor	Hong Tai Electric Industrial Co., Ltd. (Representative: Chang Xiao-Ming)		
		Qian Ying-Zhe		
		0 shares	0%	
British Virgin Islands Moneywin International Limited	Chairman	Hong Tai Electric Industrial Co., Ltd. (Representative: Chen Liang-Hua)	4,430,860 shares	100.00%
	Director	Hong Tai Electric Industrial Co., Ltd. (Representative: Pan Shao-Ping)		

(IV) Business overview of affiliates:

Unit: NTD thousand; Earnings/NTD

Name of business	Capital size	Total assets	Total liabilities	Net worth	Operating income	Operating profit or loss	Current Profit/Loss (After-tax)	Earnings per share (After-tax)
Safety Investment Co., Ltd.	88,000	121,535	283	121,252	21,435	(1,588)	(3,203)	(0.36)
Hong Hong Engineering Co., Ltd.	41,580	34,575	848	33,727	10,408	(7,006)	(23,850)	(5.74)
British Virgin Islands MONEYWIN INTERNATIONAL LIMITED	139,652	124,140	190	123,950	-	(604)	(5,988)	(0.04)

(V) Information of common shareholders who are presumed to have a relationship of control and subordination: Not applicable.

(VI) Report of Affiliates: Not applicable.

(VII) Overall scope of operation of affiliates:

Name of Company	Sector	Controlling (Subordinate) company	Control (Subordination)	Scope of operation among the affiliates and the interaction and division of labor
Hong Tai Electric Industrial Co., Ltd.	Wire/cable Optoelectronics Copper clad laminate	Controlling company	Control through shares held	Manufacturing and distribution of wires and cables, photovoltaic parts and components of solar power modules, copper clad laminates, and insulating materials
Safety Investment Co., Ltd.	Investment	Subordinate company	Control through shares held	General investments in a variety of production businesses, investments in securities, and banks and companies
Hong Hong Engineering Co., Ltd.	Cable installation engineering	Subordinate company	Control through shares held	Production of wires and cables and cable installation engineering, etc.
British Virgin Islands Moneywin International Limited	Investment	Subordinate company	Control through shares held	Holding companies that are reinvested in overseas

(VIII) Consolidated financial statement of affiliates: Not applicable.

Statement on consolidated financial statements of affiliated enterprises

For the year 2025 (from January 1, 2025 to December 31, 2025), the companies required to be included in the preparation of the consolidated financial statements of affiliated enterprises in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”

are the same as those required to be included in the consolidated financial statements of the parent and subsidiaries under IFRS 10.

Furthermore, all relevant information that shall be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements of the parent and subsidiaries.

Accordingly, no separate consolidated financial statements of affiliated enterprises have been prepared.

Hereby declared by

Name of Company: Hong Tai Electric Industrial Co., Ltd.

Responsible person: Chiu Chiang Investment Co., Ltd.

Representative: Chen Shi-Yi

March 13, 2026

(IX) Disclosure of information on transactions Involving related parties (including affiliates):

The following are the related parties with whom the Group had transactions during the financial reporting period:

1. Names and relationship of related parties

<u>Names of related parties</u>	<u>Relationship with the Group</u>
South Ocean Holdings Ltd.	Affiliates
Lianfa Metal Enterprise Co., Ltd. ("Lianfa Metal")	Other related parties (the Company being the director of the said party)
United Electric Industry Co., Ltd. ("UEI")	Other related parties (the Company being the director of the said party)
Key management	Key management of the Group

2. Significant transactions between the Group and its related parties

(1) Sales

	<u>2025</u>	<u>2024</u>
Other related parties		
Lianfa Metal	<u>\$195,925</u>	<u>\$39,325</u>

The above transaction and payment terms of the Group's sales to related party are not significantly different from normal transactions.

(2) Purchases

	<u>2025</u>	<u>2024</u>
Other related parties		
Lianfa Metal	\$2,461,888	\$1,868,120
UEI	245,649	259,163
Total	<u>\$2,707,537</u>	<u>\$2,127,283</u>

The above transaction and payment terms of the Group's purchases from related parties are not significantly different from normal transactions.

(3) Accounts payable - related parties

	<u>2025.12.31</u>	<u>2024.12.31</u>
Other related parties		
Lianfa Metal	\$886	\$1,735
UEI	32,240	12,963
Total	<u>\$33,126</u>	<u>\$14,698</u>

(4) Notes payable – related parties

	<u>2025.12.31</u>	<u>2024.12.31</u>
Other related parties		
UEI	\$327	\$19,006

(5) Stock trading between the Group and its related parties

	<u>2024</u>		
	<u>Target company</u>	<u>Number of shares traded</u>	<u>Transaction price</u>
Key management of the Group			
Key management	Safety Investment	2,466	\$39

(6) Other

	<u>2025.12.31</u>	<u>2024.12.31</u>
Prepayments		
Other related parties		
UEI	\$3,501	\$7,601

Refundable deposits

 Other related parties
 Lianfa Metal

\$29,227	\$29,227
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<u>2025</u>	<u>2024</u>
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Dividend income

 Other related parties
 Lianfa Metal
 UEI

\$23,395	\$-
20,701	16,361

Total

\$44,096	\$16,361
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Other income

 Affiliates
 South Ocean Holdings Ltd.
 Other related parties
 Lianfa Metal
 UEI

\$275	\$722
627	20
1,995	1,552

Total

\$2,897	\$2,294
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Operating cost

 Other related parties
 UEI

\$309	\$382
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Operating expense

 Affiliates
 South Ocean Holdings Ltd.

\$-	\$303
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(X) Disclosure of information on endorsements/guarantees for affiliates, lending to others, and transactions of derivative financial instruments:

1.Provision of endorsements and guarantees for others: None.

2.Loans to others: None.

3.Trading in derivatives undertaken during the reporting periods: None.

II.Private placement of securities: None.

III.Other Necessary Supplementary Information: None.

IV.Other Disclosures:

Matters with significant impacts on shareholder's equity or prices of securities as set forth in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the past year up to the date the Annual Report was printed: None.

V. For those who have made public announcements and reports on the information reporting website designated by the Financial Supervisory Commission, the information search index may be provided in the annual report:

Consolidated business reports of affiliates and other related materials
Information search index->Market Observation Post System->basic information electronic books affiliation reports, consolidated business reports and consolidated financial statements section-> Company Code: 1612Year: 2025 -> electronic data search

Implementation of the fund utilization plan for the issuance or private placement of securities:
None

Private placement of securities: None

Hong Tai Electric Industrial Co., Ltd.
Chairman : Chiu Chiang Investment Co., Ltd
Representative: Chen Shih Yi