Stock Code: 3548

JARLLYTEC

2025 Annual Report

Notice to readers

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

Jarllytec annual report is available at
Company website: https://www.jarlly.com
Taiwan Stock Exchange Market Observation Post System: https:// mops.twse.com.tw
Printed on May 19, 2026

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1. Letter to Shareholders

I. Annual summary and future prospects

In 2025, global geopolitical tensions continued to escalate, while U.S. tariff issues and significant fluctuations in the Forex exchange rate added further volatility to the industry environment. Despite these headwinds, Jarllytec still achieved growth in certain product lines. Upholding its strategic focus on cost reduction and efficiency enhancement, the Company further increased investment in upgrading fully automated equipment at its Taipei plant. In addition, it remained focused on flexibly optimizing its product mix and continued to advance in-depth R&D for the Group's new product lines. In 2025, Jarllytec's annual revenue reached NT$9.405 billion, achieving the year's operating target for all shareholders.

The key operating highlights for Jarllytec in 2025 were the strong growth of its notebook hinge and other product lines, while its 3C hinge product line also maintained stable shipment momentum.

Revenue from notebook hinges recorded double-digit growth year over year, primarily benefiting from the launch of a new form factor, the "foldable laptop," by a major customer and globally leading consumer electronics brand. Jarllytec secured the exclusive hinge supply order for this product. In addition to its innovative design stimulating end-market demand, the unit price of the hinge is significantly higher than that of conventional notebook products, making it an important driver of the Company's revenue.

As for the 3C hinge product line, both the Company's principal end markets and major customers continued to grow. According to IDC statistics, shipments of foldable smartphones in China exceeded 10 million units for the first time in 2025. One of the Company's key customers also posted strong double-digit growth in both shipments and market share, demonstrating that its position in China's foldable smartphone market has been further consolidated. As one of its principal hinge suppliers, Jarllytec is expected to benefit accordingly.

With respect to other product lines, revenue from fiber-optic products recorded triple-digit growth year over year, mainly due to stronger customer demand for certain models of precision fiber-optic connectors. Given Jarllytec's close cooperation with its customers, the Company also benefited from this round of inventory replenishment demand. With the rapid revenue growth of fiber-optic products, their contribution to the Group's revenue rose to approximately 7%, which is of strategic significance to the Company's future product mix optimization.

In addition to the business highlights of its existing product lines, Jarllytec placed greater emphasis this year on manufacturing process optimization and the R&D expansion of the Group's new product lines. The Company not only deployed large-scale fully automated assembly equipment and production lines for notebook hinges dedicated to serving major customers at its Taipei plant, but also strengthened its R&D capabilities in the field of mechatronic hinges for automotive displays, proactively positioning itself for the future trend and opportunities arising from the proliferation of multiple displays in intelligent vehicles.

Looking ahead to 2026, Jarllytec expects its operations to flourish across multiple fronts, with a more diversified and balanced product portfolio aimed at mitigating the market volatility of consumer electronics products. In the 3C hinge segment, foldable smartphone hinges will remain one of Jarllytec's key pillars. The Company will continue to serve as a close partner in helping its customers reinforce their market leadership and jointly capture the consumer trend toward the broader adoption of foldable products.

In the notebook and LCD hinge segments, Jarllytec will continue to leverage the deep product development experience it has accumulated over several decades by participating in the hinge design of various high-end gaming laptops and monitors for customers, thereby enhancing product competitiveness and expanding its customer base.

In fiber-optic products, Jarllytec will increase investment in its existing optical communication components business. The Company has already commenced R&D collaboration with major customers on precision structural components for optical communications, targeting the trend toward upgraded high-speed optical transmission in AI-dedicated servers. In the long run, this is expected to make a significant contribution to the optimization of the Company's product portfolio.

While driving business growth, Jarllytec has also continued to make proactive efforts in ESG (environmental, social and governance) matters and compliance, delivering three major achievements in 2025.

First, the Group adopted the GHG Protocol for its greenhouse gas inventory for the first time, and expects to obtain a third-party verification statement in 2026.

Second, the Group significantly increased its procurement of renewable energy, representing more than a fourfold increase compared with 2024.

Third, in the proactive evaluation of occupational health and safety performance disclosed in its sustainability report, Jarllytec received the rating of "Outstanding Enterprise." Jarllytec has received numerous honors and recognitions in corporate governance and ESG, while also fulfilling its social responsibilities through concrete actions, all of which reflect our firm commitment to sustainable development.

Jarllytec sincerely thanks all shareholders, customers and business partners for their support and trust. In the coming year, we will continue to spare no effort in creating long-term outstanding results together.

Operational results

(1) Financial performance

In 2025, consolidated revenue amounted to NT$9.405 billion, representing a decrease of approximately 2% from the previous year. Net income for the current period declined to NT$151 million, down 73% from the previous year, mainly due to the impact of exchange rate fluctuations and other factors. Basic earnings per share were NT$2.23.

(2) Budget implementation

Jarllytec did not publicly disclose financial forecasts for 2025, so there is no budget achievement status to report.

(3) Financial revenue and expenditure & profitability analysis

Unit: NT$ thousand

Item		2025	2024
Financial revenue and expenditure	Operating revenue	9,405,433	9,578,170
	Operating margin	1,124,170	1,586,125
	Operating expenses	872,675	1,035,899
	Net profit before tax	268,512	812,697
	Net income	150,740	576,762
Profitability	Return on assets (%)	1.63	5.52
	Return on equity (%)	2.49	10.34
	Ratio of income before tax to paid-in capital (%)	39.63	122.96
	Net profit ratio (%)	1.60	6.02
	Earnings per share (NT$)	2.23	8.73

(4) Research and development

In 2025, Jarllytec invested NT$246,726 thousand in product research and development expenses, representing approximately 2.6% of annual revenue, a decrease of NT$21,329 thousand from NT$268,055 thousand in 2024. At the current stage, Jarllytec primarily focuses on notebook hinges, all-in-one PC stands, LCD monitor stands, as well as hinges for foldable smartphones and foldable laptops.

At the same time, the Company is actively investing in innovative products such as POS terminal stands, VR/AR/XR hinges, electric expandable-display hinges, dual-rigid-display hinges, and rollable-display hinges.

In the notebook hinge segment, Jarllytec focuses on high-unit-price gaming hinges, as well as dual-rigid-display hinges newly introduced by brand customers in recent years.

In the LCD monitor stand segment, Jarllytec is focused on products for new major brand-name customers. In the foldable smartphone hinge segment, Jarllytec continues to work closely with its major long-term customers to meet their design collaboration needs.

As for other innovative products, including POS terminal stands, VR/AR/XR hinges, rollable-display hinges, and electric expandable-display hinges, Jarllytec's R&D team has already accumulated mass production experience in certain products and will continue to conduct product demonstrations and validations with customers while deepening its technological capabilities.

In addition to conventional hinges and stand-related mechanical components, the R&D team has also recruited electrical engineering talent to develop motorized hinges. By integrating hardware and software control with mechanical design, these hinges are capable of automatic opening and closing, as well as enabling lifting, expansion, and other movements of displays, thereby realizing new functions for motorized hinge applications.

Jarllytec's R&D team maintains close collaboration with customers in product development and regularly conducts product discussions with them to ensure sufficient technology reserves and stay at the forefront of consumer electronics trends, which serve as guidance for the Company's internal R&D direction.

Internally, the R&D division regularly holds seminars on new technologies to encourage innovative research and new product development, and promptly files patent applications for new technologies in order to establish a comprehensive intellectual property protection network and strengthen product competitiveness.

Equally important, in response to the growing global emphasis on environmental protection, Jarllytec continues to introduce new materials with higher recycled content. By increasing the use of recycled materials in its products, the Company aims to reduce product carbon emissions and fulfill its corporate social responsibility.

Business plan

(1) Significant management policies

1. Provide high-quality service, meticulous management, continuous improvement, and pursue sustainable operations.
2. Deepen the development of high-precision, high-value-added key components and technologies in Taiwan.
3. Flexibly adjust and diversify production and supply to ensure uninterrupted operational capacity.
4. Implement budget management, control expenditures, and effectively utilize corporate resources.
5. Continue investing in R&D to create differentiated, premium products, improve operational efficiency, and advance toward strategic value addition.
6. Leverage big data analytics for decision-making to achieve smart production processes.
7. Fulfill sustainable operation goals.

(2) Sales volume forecast and its basis

Jarllytec did not publicly disclose financial forecasts for 2025, so expected sales volume and its basis are not provided.

II. Impacts of the external competitive environment, regulation environment and overall business environment

(1) Jarllytec conducts all operations in compliance with relevant laws and regulations, and thus, the regulatory environment has not significantly impacted the company.

(2) Supported by a sound financial position, sufficient funding, and solid creditworthiness, Jarllytec has consistently maintained smooth supply from its suppliers and earned a strong track record of priority allocation. The Company also maintains inventory at favorable safety levels, enabling it to respond adequately to urgent orders and unexpected situations while reducing material preparation costs and lead time. Leveraging its existing customer base together with new technologies and patents, Jarllytec continues to expand diversified market opportunities. In addition to its steady notebook and monitor hinge businesses, the Company also continues to pursue innovative R&D in emerging technology fields such as

foldable smartphones, foldable laptops, foldable tablets, new precision fiber-optic connectors, and automotive mechatronic integrated hinges.

(3) Jarllytec assesses the current notebook market inventory levels as healthy. In 2025, the emergence of edge AI trends and Microsoft's end of support for Windows 10 in October are expected to drive demand for AI PC replacements, maintaining stable notebook shipments throughout the year. According to TechInsights, Jarllytec's key clients demonstrated strong competitiveness in the global foldable smartphone market in 2024, securing a leading position. In 2025, Jarllytec is expected to continue benefiting significantly from its major clients' growth momentum while achieving success in new foldable product categories.

We sincerely thank all shareholders for their support and trust in Jarllytec. We will continue to uphold corporate governance, pursue sustainable operations, and create value for customers, shareholders, employees, and society.

Chairman: Chang, Tai Yuan
Managerial officer: Chang, Tai Yuan
Accountant in charge: Chen, Ying Syuan

2. Corporate Governance Report

2.1 Directors, Supervisors and Management Team

2.1.1 Information of directors and supervisors

Apr 18, 2026

Title	Name	Gender, age	Nationality or place of registration	Date Eletcted	Term	Date First Elected	Shareholding when elected		Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Dellson Investment Co., Ltd.	N/A	Taiwan (R.O.C)	06/18/2024	3 Years	06/21/2018	3,864,000	5.85%	3,960,600	5.85%	0	0%	0	0%	N/A	N/A	N/A			None
Director Representative ,	Chang, Tai Yuan	Male 61~70	Taiwan (R.O.C)	06/18/2024	3 Years	06/25/2004	711,325	1.08%	732,075	1.08%	482,228	0.71%	3,960,600	5.85%	Master of Business Administration, EMBA of National Taipei University Chairman of Jarson Precision Technology Co., Ltd.	General Manager of Jarllytec Co., Ltd. Jarwin Investment Co., Ltd. supervisor representative Chairman of Dellson Investment Co., Ltd. Director representative of Smart Hinge Holding Ltd. Director representative of Royal Jarlly Holding Ltd. Director representative of Great Hinge Trading Ltd. Director representative of Jarllytec (Vietnam) Co., Ltd. Director representative of Jarllytec Singapore Pte. Ltd. Chairman of Jarlly Technology(Shanghai) Co., Ltd., Fu-Qing Jarlly Electronics Co., Ltd., Dong Guan Jarlly Electronics Co., Ltd., Jarlly Electronics Technology (Shanghai) Co., Ltd., Kunshan Jarlly Electronics Ltd., Xiamen Jarlly Electronics Co., Ltd. , Jarlly Technology(Chongqing) Co., Ltd., Jarlly Precision Manufacturing (Zhejiang) Co., Ltd.	Senior Vice President	Hsu, Yao Kun	affinity	Note1
Vice-Chairman	Young Win Assets Manageme nt CO., Ltd.	N/A	Taiwan (R.O.C)	06/18/2024	3 Years	07/07/2021	1,550,000	2.35%	1,588,750	2.35%	0	0%	0	0%	N/A	N/A	N/A			N/A

Title	Name	Gender, age	Nationality or place of registration	Date Eletcted	Term	Date First Elected	Shareholding when elected		Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director Representative	Liu, Kuang Hua	Male 61~70	Taiwan (R.O.C)	06/18/2024	3 Years	06/25/2004	1,316,000 (Trust property 1,100,000 shares)	1.99%	1,321,866	1.95%	911,150	1.34%	1,588,750	2.35%	Master of EMBA School of Management, National Taiwan University Taipei University of Marine Technology Inventec Sourcing Manager	Director of Jmim Precision Industry Co., Ltd., Chairman of Sunrise Investment Co., Ltd. Chairman of Jarson Precision Technology Co., Ltd. Chairman of Jarwin Investment Co., Ltd. Independent Director, Audit Committee, Remuneration Committee of AlgolTek, Inc. Director Representative of Jarlly Technology(Shanghai) Co., Ltd. Director Representative of Fu-Qing Jarlly Electronics Co., Ltd. Director Representative of Dong Guan Jarlly Electronics Co., Ltd. Director Representative of Jarlly Electronics Technology (Shanghai) Co., Ltd. Director Representative of Kunshan Jarlly Electronics Ltd. Director Representative of Xiamen Jarlly Electronics Co., Ltd. Director Representative of Jarlly Technology(Chongqing) Co., Ltd. Director representative of Jarlly Precision Manufacturing (Zhejiang) Co., Ltd.	None	None	None	None
Director	Sunrise Investment Co., Ltd.	N/A	Taiwan (R.O.C)	06/18/2024	3 Years	06/25/2004	6,100,000	9.23%	6,252,500	9.23%	0	0%	0	0%	N/A	N/A	N/A			N/A
Director Representative	Liu, Bo-Liang	Male 61~70	Taiwan (R.O.C)	06/18/2024	3 Years	05/01/2023	0	0%	0	0%	0	0%	0	0%	Master's degree, Institute of Mainland China, Chinese Culture University Deputy Director of the Police Department of the Ministry of the Interior Kaohsiung City Government Police Chief chief of criminal police	Chairman of Quan'an Technology Property Co., Ltd. Vice Chairman of Kee Tai Properties Co., Ltd. Independent Director, Audit Committee of Quang Viet Enterprise Co., Ltd. Independent Director, Audit Committee, Remuneration Committee of MERCURIES & ASSOCIATES HOLDING, LTD.	None	None	None	None

Title	Name	Gender, age	Nationality or place of registration	Date Eletcted	Term	Date First Elected	Shareholding when elected: Shares	Shareholding when elected: %	Shareholding: Shares	Shareholding: %	Spouse & Minor Shareholding: Shares	Spouse & Minor Shareholding: %	Shareholding by Nominee Arrangement: Shares	Shareholding by Nominee Arrangement: %	Experience	Other Position	Managers who are Spouses or Within Two Degrees of Kinship: Title	Managers who are Spouses or Within Two Degrees of Kinship: Name	Managers who are Spouses or Within Two Degrees of Kinship: Relation	Remark (Note)
Independent Director	Wu, Sou Shan	Male 71~80	Taiwan (R.O.C)	06/18/2024	3 Years	07/07/2021	0	0%	0	0%	0	0%	0	0%	PhD of Department of Finance, Insurance & Real Estate, University of Florida Master's degree of Institute of Management of Science, National Chiao Tung University Bachelor's degree of Department of Accounting and Statistics, National Chung Hsing University Independent director of Yuanta Financial Holding Co., Ltd. (Yuanta Securities Co., Ltd.) Professor and dean of College of Management, Chang Gung University Professor of Chiao Tung University Consultant of Sate-owned Enterprise Commission, Ministry of Economic Affairs Supervisor of Hua Nan Financial Holding Co. (and permanent in Hua Nan Bank) Chairman of Securities & Futures Institute Chairman of Taipei Exchange	Remuneration Committee, Audit Committee of Jarllytec Co., Ltd. Chair professor at National Taiwan Normal University Independent Director, Audit Committee of Citibank Taiwan Independent Director, Audit Committee, Remuneration Committee of Energenesis Biomedical Co., Ltd. Consultant of Taiwan Institute of Economic Research Supervisor of Private School HSING,HSUEH Foundation Independent Director, Audit Committee, Remuneration Committee of FABULOUS GLOBAL HOLDING CO., LTD.	None	None	None	None
Independent Director	Yang, Shang Hsien	Male 51~60	Taiwan (R.O.C)	06/18/2024	3 Years	07/07/2021	0	0%	0	0%	0	0%	0	0%	Department of Accounting, Tamkang University Accountant of Baker Tilly Clock & Co Accountant of Lan-Jai CPAs Firm	Remuneration Committee, Convener of the Audit Committee of Jarllytec Co., Ltd. Accountant of Cheng Yang CPAs Firm Juristic representative director of YesHealth Agri-Biotechnology Co., Ltd. Independent director of Yeedex Electronic Corporation	None	None	None	None

Title	Name	Gender, age	Nationality or place of registration	Date Eletcted	Term	Date First Elected	Shareholding when elected		Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Lee, Chien Ming	Male 51~60	Taiwan (R.O.C)	06/18/2024	3 Years	07/07/2021	0	0%	0	0%	0	0%	0	0%	Master of Business Administration, EMBA of National Taiwan University PhD of Department of Science, New York University Tandon School of Engineering Master's degree of Department of Science, Fu Jen Catholic University Bachelor's degree of Department of Science, Fu Jen Catholic University Asia area manager of Ciba Specialty Chemicals Inc. General manager of the subsidiary, View Sonic Group (Sintech Technology Corp./Opti International Corp., Taiwan) Vice general manager of Marketing and Purchasing Departments, Chan Mao Optoelectronics Co., Ltd. Taiwan's General manager of LG Display Co., Ltd. General manager of Asian Chemical Group Division	Audit Committee of Jarllytec Co., Ltd. Chairman of TPK Auto Tech (Xiamen) Limited Independent director, Audit Committee, Remuneration Committee of UNIC TECHNOLOGY CORP.	None	None	None	None
Independent Director	Lee, Hsing Chin	Female 61-70	Taiwan (R.O.C)	06/18/2024	3 Years	06/18/2024	0	0%	0	0%	0	0%	0	0%	Master of English Teaching, University of Birmingham	Professor of National Taipei Commerce University	None	None	None	None

Note1: If the chairman of the board of directors and the general manager or equivalent (top manager) of the company are the same person, spouses or relatives of each other, they shall state the reasons, rationality, necessity and Countermeasures (for example, increasing the number of independent directors and more than half of the directors shall not be employees or managers). The chairman of the company concurrently serves as the general manager to improve the operation efficiency and the implementation of executive decisions. However, to improve the corporate governance and strengthen the independence of the board of directors, in addition to close and full communication with all directors, the company has increased the number of independent directors, the functions of the board of directors and strengthened the supervision function. The company has the following specific measures:

(1) Set up four independent directors to effectively play the supervision function.

(2) Set up functional committees (salary, remuneration and audit), fully discuss and put forward professional suggestions for the reference of the board of directors to implement corporate governance.

(3) More than half of the members of the board of directors do not concurrently serve as employees or managers.

(4) Every year, each director is arranged to attend courses of external professional institutions to improve the professional ability of directors to improve the operation efficiency of the board of directors. Arrange each director to attend the courses of external professional every institutions year to improve the professional level of directors

2.1.2 Major shareholders of Corporate Shareholders

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Name of corporate shareholder	Major shareholders of corporate shareholders
Dellson investment Co., Ltd.	Lavish Investment Development Ltd., (13.75%), Tai Yuan Chang (25%), Shu Jin Hsu (25%), Chia Yueh Chang (18.75%), Sung Yueh Chang (17.5%)
Sunrise investment Co., Ltd.	Jumbo Technology Ltd., (100%)
Young Win assets management Co., Ltd.	Kuang Hua Liu (63 %), Wu, Yi Chuan (32%), Liu, Chih Chen (3%), Liu, Pei Yu (2%)

2.1.3 If the principal shareholder of a legal person shareholder is a legal person, its principal shareholder

April 18, 2026

Name of Legal Representative	Shareholders of Legal Representative
Lavish investment development Ltd.	Tai Yuan Chang (50%), Shu Jin Hsu (50%)
Jumbo Technology Ltd.	Kuang Hua Liu (50%), Tai Yuan Chang (50%)

2.1.4 Disclosure of professional qualifications of directors and supervisors and independence of independent directors

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chairman Dellson Investment Co., Ltd. Representative: Chang, Tai - Yuan	1. Board leadership experience (For work experience, see Director Profile on page 10). 2. Professional experience in operational judgment, business management, crisis management, industry knowledge, international market outlook, leadership decision-making. 3. There are no circumstances under Article 30 of the Company Law.	(6)(7)(8)(9)(10)(11)	0
Vice Chairman Young Win Assets Management Co., Ltd. Representative: Liu, Kuang - Hua	1. Board leadership experience (For work experience, see Director Profile on page 11.. 2. Professional experience in operational judgment, business management, crisis management, industry knowledge, international market outlook, leadership decision-making. 3. There are no circumstances under Article 30 of the Company Law.	(6)(7)(8)(9)(10)(11)	1
Director Sunrise Investment Co., Ltd. Representatives: Liu, Bo-Liang	1. Professional experience in operational judgment, business management, crisis management, industry knowledge, international market outlook. 2. There are no circumstances under Article 30 of the Company Law. (For work experience, please refer to page 11 for director information)	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)	2
Independent Director Wu, Sou-Shan	1. Leadership experience of compensation committee, audit committee and board of directors (for work experience, please refer to the information of directors on page 12). 2. Knowledge of industry and financial accounting. 3. There are no circumstances under Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	3
Independent Director Yang, Shang-Hsien	1. Leadership experience of compensation committee, audit committee and board of directors (for work experience, please refer to the information of directors on page12). 2. Knowledge of industry and financial accounting. 3. There are no circumstances under Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	1

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Independent Director Lee, Chien - Ming	1. Leadership experience of compensation committee, audit committee and board of directors (for work experience, please refer to the information of directors on page 13). 2. Knowledge of industry and financial accounting. 3. There are no circumstances under Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	1
Independent Director Lee, Hsing Chin	1. Leadership experience of compensation committee, audit committee and board of directors (for work experience, please refer to the information of directors on page 13). 2. Knowledge of international market outlook, leadership decision-making. 3. There are no circumstances under Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0

*The independence of directors and supervisors in the two years before election and during their term of office. (Those who meet the requirements are disclosed in the above table)

(1) Not an employee of the company or its affiliated enterprises.

(2) Directors and supervisors who are not directors or supervisors of the company or its affiliated enterprises (except for independent directors set up by the company and its parent company, subsidiaries or subsidiaries of the same parent company in accordance with this law or local laws and regulations).

(3) Natural person shareholders who are not themselves, their spouses, minor children or who hold more than 1% of the total issued shares of the company in the name of others or who hold the top 10 shares.

(4) Not the manager listed in (1) or the spouse of the personnel listed in (2) and (3), relatives within the second degree of kinship or immediate blood relatives within the third degree of kinship.

(5) Directors, supervisors or employees of corporate shareholders who do not directly hold more than 5% of the total issued shares of the company, hold the top five shares, or appoint representatives to act as directors or supervisors of the company in accordance with paragraph 1 or 2 of Article 27 of the company law (except for independent directors set up by the company and its parent company, subsidiaries or subsidiaries of the same parent company in accordance with this law or local laws and regulations).

(6) Directors, supervisors or employees of other companies who are not directors or have more than half of the voting shares of the company been controlled by the same person (except for independent directors set up by the company or its parent company, subsidiary or subsidiary of the same parent company in accordance with this law or local laws and regulations)

(7) Directors (directors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse with the chairman, general manager or equivalent position of the company (except for independent directors set up by the company and its parent company, subsidiaries or subsidiaries of the same parent company in accordance with this Law or local laws and regulations).

(8) Directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of the issued shares of a specific company or institution that does not have financial or business dealings with the company (except that if a specific company or institution holds more than 20% but less than 50% of the total issued shares of the company and is an independent director set up by the company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this law or the laws and regulations of the local country).

(9) Professionals, proprietors, partners, directors (directors), supervisors (supervisors), managers and their spouses of sole proprietorships, partnerships, companies or institutions who do not provide audit services for companies or affiliated enterprises or who have received remuneration of less than NT $500000 in business, legal, financial, accounting and other related services in the past two years. However, this restriction shall not apply to the members of the salary and Remuneration Committee, the public takeover review committee or the Special Committee on mergers and acquisitions who perform their functions and powers in accordance with the securities and exchange law or the relevant laws and regulations of the enterprise merger and Acquisition Law.

(10) No spouse or kinship within the second degree with other directors.

(11) There is no one of the circumstances specified in Article 30 of the company law.

(12) There is no provision in Article 27 of the company law that the government, legal person or its representative shall be elected.

2.1.5 Diversity and independence of the board of directors

(1) Diversity of the Board of Directors

The structure of the board of directors of the company shall determine the appropriate number of directors with more than five members based on the scale of the company's operation and development and the shareholding of its major shareholders, considering the needs of practical operation. The composition of the board of directors should consider diversification. In addition to the fact that the number of directors who are also managers of the company should not exceed one-third of the number of directors, appropriate diversification policies should be formulated according to their own operation, operation type and development needs.

When appointing directors, the company not only considers the professional background of the directors themselves, but also one of the crucial factors. The company has 7 directors, of which 4 are independent directors; Among the directors, one independent director is female. The professional background of the members covers management, science and engineering, lawyers, accountants and industrial operators. The members of the board of directors have industrial, academic and knowledge diversified backgrounds and can give professional opinions from different angles, which is of major help to improve the company's business performance and management efficiency.

Among the members of the board of directors, the proportion of directors with employee status is 28.57% and the proportion of independent directors is 57.14%. The company also pays attention to gender equality in the composition of the board of directors. The target of female directors is more than 25%. At present, there are seven directors, including one female director, with a ratio of about 14.29%. The diversity of more board members is as follows:

Item / Name	Nationality	Gender	Employment in Jarllytec	Age					Term		Operational Judgment	Financial Analysis	Management	Industry Knowledge	Risk Management	Market View	Lead	Decision Making
				31~40	41~50	51~60	61~70	Over 71	0~3 years	4~6 years								
Chang, Tai Yuan	Taiwan(R.O.C)	Male	V				V				V		V	V	V	V	V	V
Liu, Kuang Hua		Male	V				V				V		V	V	V	V	V	V
Liu, Bo-Liang		Male					V				V		V	V	V	V	V	V
Wu, Sou Shan		Male						V		V	V	V	V	V	V	V	V	V
Yang, Shang Hsien		Male				V				V	V	V	V	V	V	V	V	V
Lee, Chien Ming		Male				V				V	V	V	V	V	V	V	V	V
Lee, Hsing Chin		Female					V		V		V		V	V	V	V	V	V

(2) Independence of the Board of Directors

The company re-elected directors (including independent directors) in 2024. At present, there are 7 directors in the board of directors, of which 4 are independent directors, accounting for 57.14% of the independent directors. Please refer to "4. Disclosure of Professional Qualifications of Directors and Supervisors and Information Disclosure of Independent Directors' Independence" for the matters stipulated in Items 3 and 4.

2.1.6 Information of the general manager, deputy general manager, associate manager, heads of departments and branches

April 21, 2025

Title	Nationality	Name	Gender	Date of appointment to position	Holding Shares		Relatives hold shares		Under Other's		Experience	Occupation	Title	Name	Relationship	Employee Options	Remark
					Shares	Ratio	Shares	Ratio	Shares	Ratio							
General Manager	Taiwan (R.O.C)	Chang, Tai Yuan	Male	07/07/2004	732,075	1.08%	482,228	0.71%	3,960,600	5.85%	Master of Business Administration, EMBA, Taipei University Chairman of Jarson Precision Technology Co., Ltd.	Chairman of Jarllytec Co., Ltd. Jarwin Investment Co., Ltd. supervisor representative Chairman of Dellson Investment Co., Ltd. Director representative of Smart Hinge Holding Ltd. Director representative of Royal Jarlly Holding Ltd. Director representative of Great Hinge Trading Ltd. Director representative of Jarllytec (Vietnam) Co., Ltd. Director representative of Jarllytec Singapore Pte. Ltd. Chairman of Jarlly Technology(Shanghai) Co., Ltd., Fu-Qing Jarlly Electronics Co., Ltd., Dong Guan Jarlly Electronics Co., Ltd., Jarlly Electronics Technology (Shanghai) Co., Ltd., Kunshan Jarlly Electronics Ltd., Xiamen Jarlly Electronics Co., Ltd. , Jarlly Technology(Chongqing) Co., Ltd., Jarlly Precision Manufacturing (Zhejiang) Co., Ltd.	Senior Deputy General Manager	Hsu, Yao Kun	affinity	None	Note1
Senior Deputy General Manager	Taiwan (R.O.C)	Hsu, Yao Kun	Male	02/01/2005	72,562	0.11%	0	0%	0	0%	Tsinghua University Jarllytec Sales Manager	Director of Fu-Qing Jarlly Electronics Co., Ltd., Dong Guan Jarlly Electronics Co., Ltd., Xiamen Jarlly Electronics Co., Ltd. Juristic representative director of Jarllytec (Thailand) Co., Ltd.	General Manager	Chang, Tai Yuan	affinity	None	None
Deputy General Manager	Taiwan (R.O.C)	Hung, Chin Fu	Male	07/07/2004	197,439	0.29%	191,793	0.28%	1,127,500	1.66%	Qinyi Engineering College Mechanical Division Qianji Company	Supervisor of Chongqing Jarlly General Manager of Jarllytec (Vietnam) Co., Ltd. Deputy General Manager of Kunshan Jarlly	None	None	None	None	None
Deputy General Manager	Taiwan (R.O.C)	Li, Yung Ta	Male	02/01/2005	0	0%	0	0%	0	0%	PhD in Mechanical Engineering, National Taiwan University Shentong Computer Lecturer	None	None	None	None	None	None
Deputy General Manager	Taiwan (R.O.C)	Huang, Shih Hui	Male	07/30/2012	232	0%	0	0%	0	0%	Bachelor of Mechanical Engineering, National Taiwan University Master of Industrial Engineering, Iowa State University Meilong Industrial R&D Manager Ford Liuhe Design and Technology Center Manager	None	None	None	None	None	None
Accounting Director	Taiwan (R.O.C)	Chen, Ying Syuan	Female	06/18/2019	4,758	0.01%	0	0%	0	0%	Master of EMBA School of Management, National Taiwan University of Science and Technology	Legal Representative Supervisor of Jarlly Technology(Shanghai) Co., Ltd., Dong Guan Jarlly Electronics Co., Ltd., Jarlly Electronics Technology (Shanghai) Co., Ltd., Kunshan Jarlly Electronics Ltd.,	None	None	None	None	None

Title	Nationality	Name	Gender	Date of appointment to position	Holding Shares		Relatives hold shares		Under Other's		Experience	Occupation	Title	Name	Relationship	Employee Options	Remark
					Shares	Ratio	Shares	Ratio	Shares	Ratio							
											Department of Accounting, Soochow University KPMG Manager	Xiamen Jarlly Electronics Co., Ltd., ZheJiang Jarlly Precision Technology Co., Ltd.					

Note11: If the chairman of the board of directors and the general manager or equivalent (top manager) of the company are the same person, spouses or relatives of each other, they shall state the reasons, rationality, necessity and Countermeasures (for example, increasing the number of independent directors and more than half of the directors shall not be employees or managers). The chairman of the company concurrently serves as the general manager to improve the operation efficiency and the implementation of executive decisions. However, to improve the corporate governance and strengthen the independence of the board of directors, in addition to close and full communication with all directors, the company has increased the number of independent directors, the functions of the board of directors and strengthened the supervision function. The company has the following specific measures:

(1) Set up four independent directors to effectively play the supervision function.
(2) Set up functional committees (salary, remuneration and audit), fully discuss and put forward professional suggestions for the reference of the board of directors to implement corporate governance.
(3) More than half of the members of the board of directors do not concurrently serve as employees or managers.
(4) Every year, each director is arranged to attend courses of external professional institutions to improve the professional ability of directors to improve the operation efficiency of the board of directors. Arrange each director to attend the courses of external professional every institutions year to improve the professional level of directors

2.2 Annual remuneration paid to directors, supervisors, general managers and Deputy General Managers

2.2.1 Remuneration of Directors and Independent Directors

Dec 31 2025 Unit: NT$ thousand

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base Compensation (A)		Retirement pay and pension (B)		Director profitsharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
																The company		All Consolidated entities				
		The company	All Consolidated entities	The company	All Consolidated entities	The company	All Consolidated entities s	The company	All Consolidated entities s	The company	All Consolidated entities	The company	All Consolidated entities	The company	All Consolidated entities	Cash	Stock	Cash	Stock	The company	All Consolidated entities	
Chairman	Dellson Investment Co., Ltd.	2,809	3,348	245	245	1,121	1,121	12	12	4,186 2.78%	4,726 3.14%	2,901	3,440	245	245	0	0	0	0	7,332 4.86%	8,411 5.58%	0
Representative	Chang, Tai Yuan																					
Vice-Chairman	Young Win Assets Management CO., Ltd																					
Representative	Liu, Kuang Hua																					
Director	Sunrise Investment Co., Ltd.																					
Representative	Liu, Bo-Liang																					
Independent Director	Wu, Sou Shan	1,320	1,320	0	0	951	951	48	48	2,319 1.54%	2,319 1.54%	0	0	0	0	0	0	0	0	2,319 1.54%	2,319 1.54%	None
	Yang, Shang Hsien																					
	Lee, Chien Ming																					
	Lee, Hsing Chin																					

1. The remuneration policy, system, standard and structure of independent directors and the relationship with the amount of remuneration paid according to the responsibilities, risks, investment time and other factors. In Chapter 6, Article 22, if the company has a profit in the year, it shall allocate no more than 2% as the director's remuneration. However, when the company still has accumulated losses, it should reserve the amount in advance to make up for it. And in accordance with the company's "Board of Directors" Performance Evaluation Method" to evaluate the degree of participation in the company's operations and the value of its contribution (for example: interaction with the management team, understanding of the company's industry.), taking into account domestic and foreign industry standards to provide reasonable remuneration, the relevant performance assessment and the rationality of the remuneration are reviewed by the Remuneration Committee and the Board of Director s and the remuneration system will be reviewed in a timely manner according to the actual operating conditions and relevant laws and regulations.
2. Except as disclosed in the above table, the remuneration received by the directors of the company for providing services to all the companies in the financial report in the most recent year (such as serving as a consultant for the parent compar companies in the financial report/reinvestment enterprises that are not employees of the company): None.

Note 1: Directors' remuneration refers to the amount of directors' remuneration distributed by the board of directors in 2026.
Note 2: The Company has not issued employee stock option certificates or restricted new shares of employee rights.

Remuneration scale

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	All Consolidated entities	The company	All Consolidated entities
Under NT$1,000,000	Dellson Investment Co., Ltd. Representative: Chang, Tai Yuan Sunrise Investment Co., Ltd. Representative:Liu, Bo-Liang Lee, Hsing Chin, Wu, Sou Shan, Yang, Shang Hsien, Lee, Chien Ming	Dellson Investment Co., Ltd. Representative: Chang, Tai Yuan Sunrise Investment Co., Ltd. Representative:Liu, Bo-Liang Lee, Hsing Chin, Wu, Sou Shan, Yang, Shang Hsien, Lee, Chien Ming	Sunrise Investment Co., Ltd. Representative:Liu, Bo-Liang Lee, Hsing Chin, Wu, Sou Shan, Yang, Shang Hsien, Lee, Chien Ming	Sunrise Investment Co., Ltd. Representative:Liu, Bo-Liang Lee, Hsing Chin, Wu, Sou Shan, Yang, Shang Hsien, Lee, Chien Ming
NT$ 1,000,000～NT$2,000,000	-	-	-	-
NT$2,000,000～NT$3,500,000	Young Win Assets Management CO., Ltd. Representative: Liu, Kuang Hua	-	Young Win Assets Management CO., Ltd. Representative: Liu, Kuang Hua	-
NT$3,500,000～NT$5,000,000		Young Win Assets Management CO., Ltd. Representative: Liu, Kuang Hua	Dellson Investment Co., Ltd. Representative: Chang, Tai Yuan	Dellson Investment Co., Ltd. Representative: Chang, Tai Yuan Young Win Assets Management CO., Ltd. Representative: Liu, Kuang Hua
NT$5,000,000～NT$10,000,000	-	-	-	-
NT$10,000,000～NT$15,000,000	-	-	-	-
NT$15,000,000～NT$30,000,000	-	-	-	-
NT$30,000,000～NT$50,000,000	-	-	-	-
NT$50,000,000～NT$100,000,000	-	-	-	-
Over NT$100,000,000	-	-	-	-
Total amount of person	7	7	7	7

2.2.2 Remuneration of Management team

The company set up an audit committee on June 21, 2018 to replace the functions and powers of supervisors, so this disclosure is not applicable.

2.2.3 Compensation paid to President and Vice-President

Dec 31 2025 Unit: NT$ thousand

Title	Name	Salary(A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The company	All Consolidated entities	The company	All Consolidated entities	The company	All Consolidated entities	The company		All Consolidated entities		The company	All Consolidated entities ts	
								Cash	Stock	Cash	Stock			
General Manager	Chang, Tai Yuan	11,645	13,815	870	870	2,525	2,525	429	0	429	0	15,469 10.26%	17,639 11.70%	0
Senior Deputy General Manager	Hsu, Yao Kun													
Senior Deputy General Manager	Huang, Chin Ming													
Deputy General Manager	Hung, Chin Fu													
Deputy General Manager	Li, Yung Ta													
Deputy General Manager	Huang, Shih Hui													
Deputy General Manager	Chang, Yu Chung													

*1: It is the amount of employee compensation approved by the board of directors in 2026 and estimated according to the ratio of distribution amount in 2025.
*2: The company has not issued employee stock option certificates or new shares restricting employees' rights.

Remuneration scale

Range of Remuneration	Name of President and Vice President	
	The company	All Consolidated entities
Under NT$1,000,000	-	-
NT$1,000,000～NT$2,000,000	Hung, Chin Fu, Huang, Shih Hui, Hsu, Yao Kun, Chang, Yu Chung	Huang, Shih Hui,
NT$2,000,000～NT$3,500,000	Chang, Tai Yuan, Huang, Chin Ming, Li, Yung Ta,	Hung, Chin Fu, Huang, Chin Ming, Li, Yung Ta, Hsu, Yao Kun, Chang, Yu Chung
NT$3,500,000～NT$5,000,000		Chang, Tai Yuan,
NT$5,000,000～NT$10,000,000	-	-
NT$10,000,000～NT$15,000,000		-
NT$15,000,000～NT$30,000,000	-	-

Range of Remuneration	Name of President and Vice President	
	The company	All Consolidated entities
NT$30,000,000～NT$50,000,000	-	-
NT$50,000,000 ～NT$100,000,000	-	-
Over NT$100,000,000	-	-
Total amount of person	7	7

2.2.4 Name of the manager who allocates employee remuneration and distribution

Dec 31 2025 Unit: NT$ thousand

Title	Name	Amount in stock	Amount in cash	Total	As a % of net profit
General Manager	Chang, Tai-Yuan	0	555	555	0.37%
Senior Deputy General Manager	Hsu, Yao Kun				
Senior Deputy General Manager	Huang, Chin Ming				
Deputy General Manager	Hung, Chin Fu				
Deputy General Manager	Li, Yung Ta				
Deputy General Manager	Huang, Shih Hui				
Deputy General Manager	Chang, Yu Chung				
Chief Financial Officer	Chen, Ying Syuan				
Corporate Governance Officer	Chung, Hsin Ru,				

*In the series, fill in the amount of employee remuneration (including stock and cash) approved by the board of directors to distribute to managers in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the proportion of the actual distribution amount of last year. Net profit after tax refers to the net profit after tax of the most recent year; if IFRS has been adopted, net profit after tax refers to the net profit after tax of the individual or individual financial report of the most recent year.

Note 1: The amount of employee remuneration distributed by the board of directors in 2026 is estimated based on the ratio of the amount distributed in 2025.

Note 2: The Company has not issued any employee stock options or restricted stock awards (RSAs)..

Note 3: Vice President Chang Yu-Chung resigned effective November 30, 2025. Vice President Huang Chin-Ming was dismissed effective March 1, 2026.

2.2.5 Compare and explain the proportion of the total remuneration paid to the directors, supervisors, general manager and deputy general manager of the company and all companies in the consolidated statements in the net profit after tax of individual or individual financial reports in the last two years, and explain the policy, standard and combination of remuneration, procedures for setting remuneration, and the relationship with business performance and future risks.

(1) Analysis of the proportion of the total remuneration paid to the directors, supervisors, general manager and deputy general manager of the company by the company and all companies in the consolidated statements in the net profit after tax of individual or individual financial reports in the last two years

Unit: NT$ thousand

Title	2024				2025			
	Total remuneration		Net profit after tax (%)		Total remuneration		Net profit after tax (%)	
	The company	All Consolidated entities	The company	All Consolidated entities	The company	All Consolidated entities	The company	All Consolidated entities
Director*1	22,877	23,952	3.97	4.15	9,651	10,730	6.40	7.12
Supervisor *2	-	-	-	-	-	-	-	-
General Manager and Deputy General Manager *3	21,114	23,320	3.66	4.04	15,469	17,639	10.26	11.70

In 2025, Jarllytec Corporation's net profit after tax decreased compared to 2024. In accordance with the Company's Articles of Incorporation, directors' remuneration was allocated accordingly.

The correlation between the changes in net profit after tax and directors' remuneration remains reasonable.

*1: The total remuneration includes remuneration, retirement pension, directors' remuneration, business execution expenses, salaries of concurrent employees, bonuses, special expenses, retirement pension and employee remuneration.

*2: The total remuneration includes remuneration, remuneration and business execution expenses; Jarllytec set up an audit committee to replace the supervisor on June 21, 2018.

*3: The total remuneration includes salary, retirement pension, bonus and special expenses and employee remuneration.

(2) The company's policies, standards and combination of remuneration, the procedures for setting remuneration and the relationship with business performance and future risks.

i. Remuneration Policy, Standards, and Composition

The Company's overall compensation structure primarily consists of fixed salary and variable remuneration. Variable remuneration includes year-end bonuses and employee compensation. The remuneration design is determined based on job responsibilities, professional capabilities, and performance achievements, and is adjusted with reference to industry standards and market trends. For higher-ranking positions, given their greater impact on the Company's operating performance, the proportion of variable remuneration is relatively higher to strengthen performance orientation and the link to accountability.

Regarding directors' remuneration, in accordance with Article 22, Chapter 6 of the Company's Articles of Incorporation, if the Company makes a profit in a fiscal year, a maximum of 2% may be allocated as directors' remuneration; however, if there are accumulated losses, profits must first be reserved to cover them. The actual payout amount is finalized based on the Company's "Regulations for Governing the Performance Evaluation of the Board of Directors," which comprehensively evaluates directors' level of participation in and contribution value to the Company's operations (such as interaction with the management team and professional understanding of the industry), with reasonable remuneration approved after referencing domestic and international industry peers.

Remuneration for managers (including the General Manager and Vice General Managers) comprises salaries, bonuses, and employee compensation. The salary structure covers base salary, rank allowances, managerial allowances, meal allowances, and professional allowances. Employee compensation is allocated from a total pool based on the Company's annual profitability (such as earnings per share, EPS) and is distributed to individual employees based on factors such as performance, seniority, job grade, and special contributions.

ii. Procedures for Determining Remuneration

The establishment and adjustment of the Company's remuneration system are handled in accordance with relevant internal regulations, professionally reviewed by the Remuneration Committee, and subsequently submitted to the Board of Directors for resolution and implementation. The distribution of directors' remuneration must not only comply with the Articles of Incorporation but also be reviewed and approved by the Remuneration Committee and the Board of Directors to ensure reasonableness and transparency.

As for managerial compensation, the Board of Directors authorizes the Chairman to approve it based on job description, scope of responsibility, and personal qualifications (such as educational background, professional capabilities, and development potential), with reference to performance evaluation results. The content of the performance evaluation includes the achievement of Key Performance Indicators (KPIs) and whether any material events impacting the Company's reputation or operational risks have occurred (such as internal management misconduct or fraud), serving as an important basis for remuneration adjustments.

iii.Correlation between Remuneration, Operating Performance, and Future Risks

The Company’s remuneration system is highly correlated with operating performance. By increasing the proportion of variable remuneration, the rewards for directors and managers are aligned with the Company’s overall operational outcomes and shareholder interests. The allocation of employee compensation is also based on the Company's profitability, ensuring that total remuneration expenses correspond with operating results.

Furthermore, when establishing and adjusting the remuneration system, the Company fully considers the external economic environment, industry cyclicality, future operational development, and potential risks. Rolling reviews and appropriate adjustments are conducted to prevent excessive incentives for short-term performance at the expense of long-term risks, thereby reinforcing the goal of sustainable corporate operations.

2.3 Implementation of Corporate Governance

2.3.1 The operation of the board of directors

The Board of Directors has held 5 meetings in the last year (A) and the attendance of directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended in proxy	In-person attendance rate (%) [B/ A]	Remark
Director	Dellson Investment Co., Ltd. Representative: Chang, Tai Yuan	5	0	100%	06/18/2024 Re-election
Director	Young Win Assets Management CO., Ltd. Representative: Liu, Kuang Hua	5	0	100%	06/18/2024 Re-election
Director	Sunrise Investment Co., Ltd. Representative: Liu, Bo-Liang	4	1	80%	06/18/2024 Re-election
Independent Director	Yang, Shang Hsien	5	0	100%	06/18/2024 Re-election
Independent Director	Wu, Sou Shan	5	0	100%	06/18/2024 Re-election
Independent Director	Lee, Chien Ming	5	0	100%	06/18/2024 Re-election
Independent Director	Lee, Hsing Chin	5	0	100%	06/18/2024 New appointment

Other items to be recorded were as fellows

I. In case of any of the following circumstances in the operation of the board of directors, the date of the board of directors, the period, the content of the proposal, the opinions of all independent directors and the company's handling of the opinions of independent directors shall be stated:

(1) The matters listed in article 14-3 of the securities and exchange law.

Please refer to IV. Operation of Corporate Governance (XI) Important Resolutions of the Board of Directors.

(2) In addition to the previous matters, other matters resolved at the board meeting with objections or reservations of independent directors and records or written statements: None

II. The implementation of the director's recusal of the interest proposal shall state the name of the director, the content of the proposal, the reasons for the recusal of interest and the circumstances of participation in voting

Date	Name	Contents	Reasons for the recusal of interest and the circumstances of participation in voting
01/17/2025	Chang, Tai Yuan Liu, Kuang Hua	Discuss the company's 2024 annual manager's employee compensation cash distribution.	Chairman Chang Tai-yuan: As the agenda item pertains to year-end bonuses, which involves personal interests, I will recuse myself. Independent Director Yang

Date	Name	Contents	Reasons for the recusal of interest and the circumstances of participation in voting
			Shang-hsien is requested to act as the proxy chair. Vice Chairman Liu Kuang-hua: As the agenda item pertains to year-end bonuses, which involves personal interests, I will recuse myself. With the exception of Chairman Chang Tai-yuan and Vice Chairman Liu Kuang-hua, who recused themselves due to conflicts of interest, the proxy chair consulted the attending directors, and the resolution was passed without objection.
08/11/2025	Chang, Tai Yuan	Discuss the company's 2024 annual manager's employee compensation cash distribution.	Director Chang, Tai Yuan also serves as the general manager, but because he did not receive employee remuneration in 2024, he has no interest and does not need to avoid interests. The case was approved by the chairman after consultation with all the directors present without objection.

III. period, evaluation scope, method and evaluation content of the board of directors' self (or peers) evaluation and fill in the attached table on the implementation of the board of directors' evaluation:

The Board of Directors evaluates the implementation

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once per year	1/1/2025~ 12/31/2025	Compensation Committee	Internal self-assessment	(1) Participation in the company's operations (2) Cognition of Compensation Committee's Responsibilities (3) Improve the decision-making quality (4) Composition and structure of Compensation Committee (5) Internal control
		Audit Committee	member self-assessment	(1) Participation in the company's operations (2) Cognition of Audit Committee's Responsibilities (3) Improve the decision-making quality (4) Composition and structure of Audit Committee (5) Internal control
		Board of Directors	Internal self-assessment, member self-assessment	**Contents of the performance evaluation of the board of directors:** (1) Participation in the company's operations (2) Improve the decision-making quality of the board of directors (3) Composition and structure of the board of directors (4) Election of Directors and Continuing Education

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
				(5) Internal control **Contents of performance evaluation of individual board members:** (1) Mastering the company's goals and tasks (2) Cognition of Directors' Responsibilities (3) Participation in the company's operations (4) Internal relationship management and communication (5) Professional and continuing education of directors (6) Internal control

At the end of each year, the executive unit collects relevant information on the activities of the board of directors, fills out the "Board of Directors Performance Evaluation Self-evaluation Questionnaire" and "Functional Committee Performance Evaluation Self-evaluation Questionnaire" in Attachment 1, and distributes Attachment 3 "Board members (self or peers) Assessment Self-assessment Questionnaire” for directors to fill out, and finally the coordinating executive unit collects the data uniformly, In accordance with the scoring standards of the evaluation indicators in Article 7 of the performance evaluation method of the board of directors of the company, record the evaluation result report, and report to the Board of Directors.

On January 30, 2026, the company submitted the performance evaluation of the year 2025 annual Compensation Committee, Audit Committee and the board of directors to the remuneration committee for evaluation, and the result was excellent and submitted to the board of directors for approval.

IV. Goals for strengthening the functions of the board of directors in the current year and the most recent year (such as setting up an audit committee, improving information transparency.) and evaluation of their implementation

i. Set up a compensation committee

The Company's Remuneration Committee was established on December 27, 2011. There are 3 members and at least two meetings are held every year. The members of the Remuneration Committee, in a professional and objective position, discuss the Company's remuneration policy and remuneration policy for directors and managers. The system is evaluated and recommendations are made to the board for reference in its decision-making.

ii. Executive training

The annual training of directors of the company complies with the regulations of the competent authority. For details of the training courses, please refer to the Public Information Observatory/Corporate Governance/Directors and Supervisors Attending (present) the board of directors and training.

iii. Improve information transparency

To improve information transparency, the company immediately announces important resolutions on the public information observatory after the meeting of the board of directors; the company's website also announces relevant measures to protect shareholders' rights and interests and improve investors' understanding and recognition of the company. In addition, in the 7th Corporate Governance Evaluation of the Securities and Foundation, the company was listed as the top 5% company in the evaluation results.

iv. Improve the operational efficiency and decision-making ability of the board of directors

To implement corporate governance, clearly define performance goals and improve the function and operational efficiency of the board of directors, the company passed the resolution of the board meeting on October 26, 2012 to formulate the company's "performance evaluation method for directors and supervisors" and 2019, August On the 8th, the board meeting passed a resolution to formulate the company's "Board of Directors Performance Evaluation Measures". In addition, in response to the amendments to laws and regulations, on December 30, 2020, the board of directors meeting passed a resolution to amend the relevant provisions and the performance of the board of directors shall be regularly evaluated every year according to the regulations.

v. Set up an audit committee

on June 21, 2018. The audit committee consists of 4 independent directors, 2 of whom are financial experts. Regularly convene the audit committee before the board of directors on a quarterly basis to review the company's internal control system and the implementation of internal audits and major financial business practices and communicate with the Certified Public Accountant to supervise the company's operations and risk control.

2.3.2 Operation of the Audit Committee

The Audit Committee held 5 meetings in the last year (A), and the attendance of independent directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended in proxy	In-person attendance rate (%) [B/ A]	Remark
Convener	Yang, Shang Hsien	5	0	100%	06/18/2024 Re-election
Independent Director	Wu, Sou Shan	5	0	100%	06/18/2024 Re-election
Independent Director	Lee, Chien Ming	5	0	100%	06/18/2024 Re-election
Independent Director	Lee, Hsing Chin	5	0	100%	06/18/2024 New appointment

Other matters to be recorded:

I. The annual work focusses of the Audit Committee:

The Audit Committee of the Company consists of 4 members from all independent directors. The Audit Committee is held in front of the board of directors on a quarterly basis to review the company's internal control system and the implementation of internal audit and major financial business practices and communicate with the Certified Public Accountant to supervise the company's operations and risk control. A total of 5 times in 2025 Meeting. The main review contents of the audit committee of the company are as follows:

1. Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Law.
2. Evaluation of the effectiveness of the internal control system.
3. Prescribe or amend the procedures for handling major financial and business acts of acquiring or disposing of assets, engaging in derivative commodity transactions, lending funds to others, or endorsing or providing guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving the interests of directors themselves.
5. Significant asset or derivative product transactions.
6. Significant capital loan, endorsement or guarantee.
7. Raising, issuing or private placement of equity securities.
8. Appointment, dismissal or compensation of Certified Public Accountant.
9. Appointment and dismissal of financial, accounting or internal audit supervisors.
10. The annual financial report signed or stamped by the chairman, manager and accounting supervisor and the second quarter financial report which must be verified and certified by an accountant.
11. Other major matters stipulated by the company or the competent authority.

II. In the case of any of the following circumstances in the operation of the audit committee, the date of the board of directors, the period, the content of the proposal, the results of the audit committee’s resolutions and the company’s handling of the audit committee’s opinions shall be stated:

1. Matters listed in Article 14-5 of the Securities and Exchange Act.
2. Except for the previously mentioned matters, other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors.

Date	Proposal content and follow-up	SEC § 14-5	other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors
01/17/2025	1. Starting from the first quarter of 2025, the Company’s financial statements are audited and certified by CPAs Hung Shih Kang and Chen Pei-Chi.	V	None
	2. Evaluate the independence of the company's certified accountants.		

	3. It is proposed to revise the general principles of the company's pre-approval of non-certified service policies.	V	None
	4. The Company's 2025 consolidated comprehensive budget.	V	None
	The result of the resolution of the Audit Committee : After consultation by the chairman of all the attending members, the proposal was passed without objection.		
	The company's handling of the audit committee's opinion: None.		
03/07/2025	1. The company’s individual financial statements and consolidated financial statements for 2024.	V	None
	2. It is planned to adopt the company’s 2024 “Internal Control System Statement”.	V	None
	3. Amendments to the Company's Internal Control System: Salary and Wage Cycle – Payroll Operations	V	None
	4. Acknowledge the company's 2024 annual business report.	V	None
	The result of the resolution of the Audit Committee : After consultation by the chairman of all the attending members, the proposal was passed without objection.		
	The company's handling of the audit committee's opinion: None.		
05/09/2025	1. The company’s consolidated financial statements for the first quarter of 2025.	V	None
	2. Discuss the company’s 2024 earnings distribution plan.	V	None
	3. Discussion on the proposal for the capital increase through capitalization of the Company's 2024 earnings to issue new shares.	V	None
	The result of the resolution of the Audit Committee : After consultation by the chairman of all the attending members, the proposal was passed without objection.		
	The company's handling of the audit committee's opinion: None.		
08/11/2025	1. Proposal for the Company's Consolidated Financial Statements for the Second Quarter of 2025.	V	None
	2. Proposal to determine the record date for the capital increase regarding the conversion of the Company's 2nd Domestic Unsecured Convertible Bonds into new shares during the second quarter of 2025.	V	None
	3. Determination of the record dates for the 2025 cash dividend (ex-dividend), stock dividend (ex-right), and capital increase, and other related matters.	V	None
	4. Proposal for amendments to certain articles of the Regulations Governing the Issuance and Conversion of the Company's 2nd and 3rd Domestic Unsecured Convertible Bonds.	V	None
	5. Proposal for the Company's acquisition of machinery and equipment for operational use.	V	None
	The result of the resolution of the Audit Committee : After consultation by the chairman of all the attending members, the proposal was passed without objection.		
	The company's handling of the audit committee's opinion: None.		
11/11/2025	1.Proposal for the Company's Consolidated Financial Statements for the Third Quarter of 2025.	V	None
	2.Proposal for the approval of the Company's 2026 Annual Audit Plan.	V	None
	3.Proposal regarding the right-of-use assets of real estate of Jarlly Technology (Shanghai) Co., Ltd. a 100%-owned subsidiary of the Company.	V	None
	4.Proposal for a reinvestment of RMB 7.65 million in a mold factory by Jarlly Technology (Shanghai) Co., Ltd. a 100%-owned subsidiary of the Company.	V	None
	The result of the resolution of the Audit Committee : After consultation by the chairman of all the attending members, the proposal was passed without objection.		
	The company's handling of the audit committee's opinion: None.		

III. The implementation of the independent director's withdrawal of the interest-related proposal, the name of the independent director, the content of the proposal, the reason for the withdrawal of interest and the voting situation: None

IV. Communication between independent directors and internal audit supervisors and accountants (should include major matters, methods and results of communication on the company's financial and business status.):

The Company regularly invites the independent auditors to attend Audit Committee meetings to communicate and provide recommendations to the independent directors regarding the audit of financial statements, as well as the Company's financial and operational conditions. The records of such communications in 2025 are summarized below:

Date	Key points of communication	Recommendations
03/07/2025	1.Explain the audit results of the 2024 financial statements and discuss the audit findings. 2.Discuss and communicate the impacts of recently amended laws and regulations.	None
08/11/2025	1.Explain the review results of the Q2 2025 consolidated financial statements and discuss the review findings. 2.Discuss and communicate the impacts of recently amended laws and regulations.	None

The Chief Internal Auditor also provides audit reports and materials to the independent directors in accordance with regulations, reporting on the execution of audit operations. Furthermore, based on their professional and industry experience, the independent directors occasionally communicate on the Company's financial and operational conditions through various channels, such as verbal discussions or emails. The records of such communications in 2025 are summarized below:

Date	Meeting	Key points of communication	Recommendations
01/17/2025	Board of Directors Audit Committee	Audit Business Execution Report for November 2024 to December 2024	None
03/07/2025	Board of Directors Audit Committee	1. Audit Business Execution Report for January 2025 to February 2025 2. Internal Control System Statement for the Fiscal Year 2024	None
05/09/2025	Board of Directors Audit Committee	Audit Business Execution Report for March 2025 to April 2025	None
08/11/2025	Board of Directors Audit Committee	Audit Business Execution Report for May 2025 to July 2025	None
11/11/2025	Board of Directors Audit Committee	1.Audit business execution report August 2025 to October 2025 2.Audit plan for the fiscal year 2026.	None
11/11/2025	Board of Directors Audit Committee	Meeting between Independent Directors and Audit Staff Third Quarter of 2025 Audit Business Execution Report and Communication	None

2.3.3 Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	**No**	**Summary description**	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The company has passed the resolution of the board of directors on March 29, 2010 to formulate the company's "Corporate Governance Code" and in response to the revision of laws and practical operational needs, the relevant provisions have been revised by the resolution of the board of directors on May 11, 2022. Code is enforced. All operations are managed in accordance with this code and so far there are no major differences. In addition, this code has been disclosed on the public information observatory and the company's website.	None
2. Shareholding structure & shareholders' rights (1)Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure? (2)Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3)Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4)Does the company establish internal rules against insiders trading with undisclosed information?	 ✓ ✓ ✓ ✓		(1)The company passed the resolution of the board of directors on November 5, 2020 to formulate the "Standard Operating Procedures for Handling Shareholders' Suggestions and Doubts" and established a spokesperson system to manage related matters in accordance with regulations. The stock agency department of Fengjin Securities is dedicated to handling issues such as shareholder suggestions or disputes. (2)In accordance with the provisions of Article 25 of the Securities Exchange Act, the company shall report the changes in the shares held by insiders (directors, supervisors, managers and major shareholders holding more than 10% of the shares) monthly and keep abreast of the actual control of the company at any time. List of substantial shareholders and ultimate controllers of substantial shareholders. Stock affairs agency：SinoPac Securities Co., Ltd. Transfer Agency Department，Tel : (02) 2381-6288 (3)The rights and responsibilities of personnel, assets and financial management between the company and its affiliated companies are clear and independent and "subsidiary monitoring and operating measures" have been formulated and monthly financial and business management reports of subsidiaries are obtained and a risk control mechanism for subsidiaries is implemented. In addition to the independent operation of each affiliated company, the company has also established "Transaction Procedures for Group Enterprises, Specific Companies and Related Persons". (4)The company's employees, managers, directors and other personnel, in addition to complying with the "Securities and Exchange Law", the company also has a "ethical code of conduct", "internal material information processing and prevention of insider trading management procedures" and "integrity In order to prevent others from engaging in insider trading, relevant personnel shall not use the unpublished information they have learned to	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	**No**	**Summary description**	
			engage in insider trading, nor shall they disclose it to others. The company passed the resolution of the board of directors on August 9, 2011 to revise the "Internal Material Information Processing and Prevention of Insider Trading Management Operation Procedures", adding that directors are not allowed to report 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report. The Company notified directors and insiders on April 16, 2025, July 21, 2025, October 21, 2025, and February 23, 2026, that they are prohibited from trading stocks during the blackout periods, which consist of 15 days prior to the announcement of the Q1, Q2, and Q3 2025 financial reports, and 30 days prior to the announcement of the annual financial report. Directors and managers participate in education and training on the prevention of insider trading annually. This year, a total of 8 person-times and 1 hour of relevant educational training were completed by directors and managers. The course content included explanations of insider shareholding regulations and updates on laws regarding the prevention of insider trading.	
3.Composition and Responsibilities of the Board of Directors (1)Does the Board develop and implement a diversified policy for the composition of its members? (2)Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? (3)Does the company establish a standard to measure the performance of the Board, and implement it annually? (4)Does the company regularly evaluate the independence of CPAs?	 ✓ ✓ ✓	 ✓	(1) The company has formulated the "Corporate Governance Code". Article 20 of the company's "Corporate Governance Code" stipulates the diversity policy of the board of directors. For the company's board diversity policy, specific management objectives and implementation, please refer to the annual report "II. Information on Directors, General Manager, Deputy General Managers, Assistant Managers, Heads of Departments and Branches (2) On December 27, 2021, the Board of Directors passed the "Organization Regulations of the Remuneration Committee" and established the Remuneration Committee, which will be held at least twice a year. The current term is July 7, 2021 to July 6, 113. In addition, on March 8, 2018, the Board of Directors approved the "Organization Regulations of the Audit Committee" and after the new independent director was elected at the shareholders' meeting on June 21, 2018, an audit committee was set up and held at least once a quarter. The term of office is 2021 July 7, 2024 to July 6, 2024. There are currently no plans to add other functional committees. (3) The company has discussed and approved by the Remuneration Committee on September 26, 2010 and passed the "Measures for the Performance Management of Directors and Supervisors" by the resolution of the board of directors on October 26, 101. In addition, in response to the revision of laws and regulations and the actual operation needs, it was discussed and approved by the Salary Committee on August 8, 2019 and the "Measures for the Performance Evaluation of the Board of Directors" was approved by the resolution of	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	**No**	**Summary description**	
			the board of directors on August 8, 2019. In addition to the amendments to laws and regulations, in 2020 On December 30, the board meeting resolved to amend the relevant provisions and the performance of the board of directors shall be regularly assessed every year in accordance with the regulations. At the end of each year, the executive unit collects relevant information on the activities of the board of directors, fills out the "Board of Directors Performance Evaluation Self-evaluation Questionnaire" and "Functional Committee Performance Evaluation Self-evaluation Questionnaire" in Attachment 1, and distributes Attachment 3 "Board members (self or peers) Assessment Self-evaluation Questionnaire" for the directors to fill out, and finally the coordinating executive unit collects the data in a unified manner, records the assessment results and reports to the board of directors in accordance with the scoring standards of the evaluation indicators in Article 7 of the Company's Board of Directors Performance Evaluation Measures. On January 24, 2024, the company submitted the performance evaluation of the year 2023 annual remuneration committee, audit committee and the board of directors to the remuneration committee for evaluation, and the result was excellent and submitted to the board of directors for approval. At the end of each year, the responsible unit collects information related to board activities and distributes the following forms to board members for completion: Appendix 1, "Board Performance Self-Assessment Questionnaire," Appendix 2, "Functional Committee Performance Self-Assessment Questionnaire," and Appendix 3, "Individual Director Performance Self-Assessment Questionnaire." The coordinating unit then compiles the collected data and evaluates the results based on the scoring criteria outlined in Article 7 of Jarllytec's Board Performance Evaluation Policy. The evaluation results are documented in a report and submitted to the Board of Directors for review. On January 30, 2026, Jarllytec submitted the 2025 performance evaluations for the Compensation Committee, Audit Committee, and Board of Directors to the Compensation Committee for review. All evaluation results were rated as excellent and were approved by the Board of Directors. (4) The company's board of directors regularly evaluates the independence of the appointed accountants every year in accordance with the company's "Corporate Governance Code". On January 24, 2024, the audit committee and the board of directors evaluated the independence of the certification accountants appointed by the company, Hung, Shih-Kang	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			and Chen, Pei-Chi of Anhou Jianye United Accountants Firm, who were entrusted to perform the verification and certification work of the 2025 financial statements, in accordance with the fourth chapter of the Accountant Law Article 17 and the content of "Integrity, impartiality, objectivity and independence" in the Bulletin No. 10 of the Professional Ethics for Accountants of the Republic of China are used to formulate independence assessment items, and refer to the 13 indicators of the Audit Quality Index (AQI) of KPMG Taiwan. , after the evaluation results, it meets the company's independence evaluation standards, and the accounting firm issued an independence statement letter. It is confirmed that the accountant has no other financial interests or business relationships with the company except for fees for visas and financial and tax cases. The accountant's family members do not violate the independence requirements. With reference to the AQI indicator information, it is confirmed that the accountant and the firm have the best experience and experience in auditing. The number of training hours is better than the average level in the industry, and the evaluation results meet the company's independence evaluation standards. Note: Criteria for assessing the independence of accountants	

Evaluation Items (Summary lists important evaluation items)	Result	Independent
Accountant without continuous certified service for seven years	Yes	Yes
There is no direct or material indirect financial interest relationship between the accountant and the company	Yes	Yes
The accountant has not accepted any gifts or gifts of excellent value from the company and its directors, supervisors and managers	Yes	Yes
Accountants do not receive any business-related commissions	Yes	Yes
The accountant issues a statement of independence	Yes	Yes

Evaluation Item	Yes	No	Summary description	Deviations and reasons
4. Whether the TWSE/TPEx listed company has a qualified and appropriate number of corporate governance personnel, and designates a	✓		On August 8, 2018, the Remuneration Committee and the Board of Directors resolved to appoint a corporate governance supervisor to implement corporate governance and strengthen the functions of the board of directors. The director of corporate governance has been in	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
corporate governance supervisor to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with information needed to perform business, assisting directors and supervisors to comply with laws and regulations, Handle matters related to the meetings of the board of directors and shareholders' meeting according to law, make minutes of the board of directors and shareholders' meetings, etc.)?			charge of finance and stock affairs in a public company for more than three years. He is the top executive responsible for corporate governance-related affairs, and the stock affairs unit is responsible for reporting directly to him. The main responsibilities are 1. Handle matters related to the meetings of the board of directors and shareholders' meeting according to law. 2. Prepare the minutes of the board of directors and shareholders' meetings. 3. Assist directors in their appointment and continuing education. 4. Provide the information required by the directors to execute their business. 5. Assist directors to comply with laws and regulations. 6. Report to the board of directors the results of its examination of whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure. 7. Handle matters related to the change of directors. 8. Other matters stipulated in the company's articles of association or contract, etc.. In 2025, the Corporate Governance Officer completed 12 hours of continuing education. For details regarding the continuing education status, please refer to Section II (Corporate Governance Report) / III (Corporate Governance Operations) / (8) Other Material Information Essential to Increasing Understanding of Corporate Governance Operations of this annual report.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The company's website (https://www.jarlly.com) has a "Investors Relations", which has corresponding windows for business management and operational projects. Stakeholders (including shareholders, employees, customers and suppliers) can directly contact, communicate and coordinate with the corresponding window. In addition, there is an "Investor Corner" on the website, which regularly discloses various business, financial information and valuable information for investors' reference and implements the spokesperson system to fully understand the company. Financial and business status, in line with company policies and needs to release information on weekdays. In 2025, the Spokesperson has been Chen, Ying Syuan. the Acting Spokesperson has been Investor Relations Officer Daniel Liao.	None
6. Does the company appoint a professional stock agency to oversee the affairs of the shareholders' meeting?	✓		The company has appointed YongFeng Gold Securities Share Agency Department to manage the affairs of the shareholders' meeting.	None
7. Information Disclosure	✓		(1) The company has set up an "Investors Relations" on the company's website (http://www.jarlly.com) to regularly disclose various business and financial information for	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
(1)Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2)Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Does the company announce and file the annual financial report within two months after the end of the fiscal year and announce and file the financial report for the first, second and third quarters and the operating conditions of each month before the specified deadline?	✓	✓	investors' reference. In addition, the company has disclosed on the company's website important regulations such as fund lending and endorsement guarantee procedures, procedures for acquiring or disposing of assets and other important regulations and internal audit operations. (2) The company has designated a special person in the stock affairs office to be responsible for the collection and disclosure of company information and has implemented a spokesperson system to fully understand the company's financial and business conditions and to cooperate with the company's policies and needs to release information on weekdays. In addition, the relevant content of the corporate briefing session has been placed on the "Public Information Observatory" and the company's website. (3) The company announces and submits financial reports and monthly operating conditions to the competent authority within the time limit stipulated by laws and regulations, and there is no case of early announcement.	
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		(1) Employee rights and employee care For employee rights and employee care, please refer to "V. Operation Overview V. Labor Relations" in the annual report. (2) Intellectual property management plan and implementation The company's intellectual property management plan and implementation were reported to the board of directors on January 30, 2026. Jarllytec continues to focus on the R&D and development of "hubs". This year, it continues the results of 2023, that is, it actively develops in "notebook computer hubs (NB Hinge)", "all-in-one computers (AIO PC)", "liquid crystal displays (LCD)" Monitor) Stand", "Video Camera Hub", "Flexible Screen Folding Hub", "Rigid Dual-Screen", "Hinge Electric Hinge" ,and other products to expand application categories; on the other hand, we also continue to improve the research and development of intellectual property management plans, in addition to according to the "2024 Regular Meeting of Shareholders" The important operating policies shown in the Meeting Minutes, and follow the commitments listed in the "Social Responsibility Management Manual" formulated by the company, that is, "obeying the law, putting prevention first, continuous improvement, and worker participation" as the implementation policy, and more In addition to the existing ISO 9001 quality management system, the ISO 27001 information security system will also be	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	**No**	**Summary description**	
			introduced to form a second layer of protection in addition to the security measures of traditional entity control to strengthen the protection of business secrets of smart knowledge results. The following is a brief description of the current situation, countermeasures and implementation results in three phases regarding patent, trademark and copyright management operations in intellectual property:	

	Patent Management	trademark	copyright
situation	This year, topics such as the AI PC/NB replacement cycle and the increasing mainstream adoption of foldable products continue to evolve. However, influenced by fluctuations in the external macro-environment, overall market demand has trended toward conservatism. Consequently, our patent deployment aligns strictly with the Group's R&D strategy—deepening our presence in core businesses while expanding into pioneering territories, thereby laying a solid cornerstone for the Group's long-term development. In response to ESG mandates and digital upgrades, the Group's manufacturing facilities have introduced fully automated production processes and AI-powered visual inspection systems. In alignment with this technological trajectory, we are actively monitoring the patent portfolios and landscapes of our major competitors.	The Group proactively promotes its marketing initiatives, enhancing corporate reputation and brand visibility through website management, trade show participation, and customer visits. Concurrently, we actively champion ESG sustainable development by regularly participating in philanthropic affairs, implementing community care, organizing cross-site team-building exchanges, and establishing industry-academia collaborations. Trademark deployment is recognized as a core asset of the Group. By systematically reviewing trademark cases across all operating sites, we ensure the precise alignment of the Group's visual identity with our products and services, thereby constructing a robust brand barrier.	The Group's copyrighted works and intellectual outputs form the very cornerstone of our core competitiveness. We strictly implement internal and external operational authority controls, consolidating our competitive advantage through a precise framework of public disclosure and confidentiality: [Public Disclosure] In addition to managing the corporate website, the Group proactively drives commercial marketing and engages in ESG initiatives, continuously fulfilling our corporate social responsibility policies and keeping the investing public well-informed. [Internal Confidentiality] The Group actively promotes the internal integration of intelligence, transforming global insights into core assets. We rigorously enforce electronic classification and access controls, strictly adhere to non-disclosure protocols, and deeply anchor the Group's competitive foundation through talent system empowerment.

				Patent Management	trademark	copyright		
			Countermeasures	(1) Patent Search and Analysis: ●Monitoring Competitors' Patents: Tracking and analyzing the patent landscapes of key competitors. ●Expanding Existing Product Categories and New Applications: Exploring new use cases and extending the reach of current product lines. ●Exploring Patent Technologies in New Products/Fields: Investigating emerging technological domains and uncovering new product opportunities. (2) Patent Applications: ●Reviewing and Encouraging Tooling Patent Proposals Across Facilities: Evaluating mold and tooling designs within manufacturing plants to incentivize patent submissions. ●Filing Patent Applications for R&D Results and New Technological Architectures: Securing intellectual property rights for	(1) Trademark Search and Analysis: ●Searching and Analyzing the Distinctiveness of the Group's Visual Identity: Evaluation of the trademark eligibility and strength of the corporate logo/brand assets. ●Grasping Market Trademark Trends: Staying abreast of dynamic trademark movements and market trends. (2) Trademark Applications: ●Managing and Controlling Trademark Applications Across All Operating Sites: Streamlining and monitoring trademark filings across global branches and facilities. (3) Trademark Procedure and Lifecycle Control: ●Assisting Thailand and Vietnam Plants in Adopting Trademark Management Systems: Guiding overseas manufacturing sites in implementing standardized trademark governance. ●Continuously Executing Digital Operations via	(1) Public Disclosure of Copyrighted Works (Disclosed in compliance with official laws and regulations) (2) Production of Copyrighted Works (Controlled and managed under ISO 9001 standards) (3) Maintenance and Protection of Intellectual Outputs (Controlled and managed under ISO 9001 in conjunction with ISO 27001 standards) (4) Integration of Intranet and Information Platforms / Implementation of Encryption Software (Controlled and managed under ISO 27001 standards)		

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			innovative technical structures and research achievements. ●Broadening the Scope of Product Types Within the "Hinge" Patent Portfolio: Expanding the depth and breadth of patent deployment for core hinge technologies. (3) Patent Procedure and Lifecycle Control: ●Assisting Thailand and Vietnam Plants in Adopting Patent Management Systems: Guiding overseas manufacturing sites in implementing standardized IP governance. ●Continuously Executing Digital Operations via Existing Intranet and Information Platforms: Leveraging current internal networks and paperless platforms to maintain streamlined, electronic workflows. Existing Intranet and Information Platforms: Leveraging current internal networks and paperless platforms to maintain streamlined, electronic workflows.	

			Implementation results	(1)For "Patent Search and Analysis," outputs are categorized and consolidated into 40 distinct types based on "technical fields," accumulating a total of 340 patent structure search reports. These reports have been uploaded to the internal information platform under strict access control for internal browsing and reference. (2)"Patent Proposals" have been transitioned into paperless operations via electronic management. The "Patent Application" strategy focuses on leveraging core existing product categories as the foundation for extension, aiming to reinforce cross-disciplinary technological applications while effectively controlling R&D and patent maintenance costs. (3)In terms of the "Patent Management System," following the successful implementation across	(1)In terms of "Trademark Search and Analysis," by keeping a close pulse on market dynamics, we gained insights revealing that existing prior trademarks are predominantly concentrated in the metals, electromechanical, and information technology sectors. This creates a clear differentiation from the Group's core business, thereby facilitating the construction of the Group's brand identity system. (2)We conducted re-examinations of the product/service classifications of past trademark cases to cross-reference them with the Group's operational business items. Trademark protection applications were subsequently filed based on the specific conditions of each operating site to prevent counterfeiting by	(1)The Company creates corporate identity and promotional materials to drive continuous external marketing through trade shows, philanthropic initiatives, and recruitment campaigns. Relevant outcomes are publicly disclosed on the "News Center" and "ESG" webpages of the Group's official website to keep the investing public well-informed. (2)Upon the production of "Model Engineering Drawings" in compliance with ISO 9001 standards, the Document Control Center (DCC) collaborates with the IT Department to execute strict ISO 27001 security controls via the internal network in conjunction with data encryption software. (3)Following the execution of training sessions by each department, all training materials are verified to ensure the		

	7 manufacturing facilities in Mainland China last year, the Company continued to assist Thailand and Vietnam plants with their adoption this year. Patent updates are unified and reported on a quarterly basis to reward and incentivize proposing personnel. (4)Utilizing the internal network and information platforms, the Company has integrated and digitized both internal and external patent documents, converting them into structured data for decision-making reference. Furthermore, we review the divergence between mass-production models and existing patents, consolidating these insights for financial utilization, while re-evaluating and reporting back to the R&D department to assess potential patent proposals.	unscrupulous operators. (3)The Company continuously utilizes the internal network and information platforms to integrate and digitize both internal and external trademark documents. (4)In alignment with our patent initiatives, the Company concurrently assisted the Thailand and Vietnam manufacturing facilities in adopting the "Trademark Management System."	utilization of legally licensed software. The departments then respectively submit "Talent Training Materials" (accumulating a total of 1,454 documents) and "Knowledge Management (KM) Lists" to the HR Department and the Document Control Center (DCC), which are systematically controlled and managed under ISO 9001 in conjunction with ISO 27001 standards.

(3) Maintain good relationship and interaction with investors, suppliers and stakeholders

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			The company upholds the principle of fairness and openness to all shareholders. In addition to convening shareholders' meetings every year in accordance with the provisions of the Company Law and related laws and regulations, shareholders are encouraged to actively participate in the proposals and questions of shareholders' meetings, and the positions of spokespersons and acting spokespersons are set up to properly handle shareholders. Suggestions. In addition, special personnel are designated to be responsible for the collection and disclosure of company information, and to handle information announcement reporting matters at the public information observation station in accordance with relevant regulations, and to maintain smooth communication channels with banks, employees, investors, and stakeholders of business-related companies. And respect and safeguard their legitimate rights and interests, and provide sufficient information so that they can make judgments and make decisions on the company's operating and financial conditions. The company also has a good relationship with suppliers, and implements business in accordance with the principle of good faith to maintain the stability of cost and supply. (4) Status of directors' training The directors of the company take advanced training every year in accordance with laws and regulations. For detailed training courses, please refer to Public Information Observatory/Corporate Governance/Directors and Supervisors Attending (listing) Board of Directors and Training Status. (5) Implementation of consumer protection or customer policy: The company has a special person to deal with customer complaints. (6) In order to implement corporate governance, in addition to establishing effective internal control, the company has also introduced an independent director system, relying on the professional experience of independent directors, and has formulated detailed board meeting procedures in accordance with laws and regulations. The company has purchased directors, supervisors and important staff liability insurance for directors, and reported the relevant insurance situation to the board of directors on November 11, 2025. (7) The company passed the board of directors on March 11, 2014 to formulate the ethical code of conduct. In addition, in response to the operational needs of the company's 2018 establishment of an audit committee to replace the supervisor, the board of directors resolved to revise relevant provisions on March 12, 2019. , and submitted the report of the shareholders' meeting on June 18, 2019, which has been disclosed on the public information observation station and the company's website.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	**No**	**Summary description**	
9. Please explain what has been improved on the results of the corporate governance evaluation issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation Limited in the most recent year and propose priority enhancements and measures for those that have not yet improved.	✓		In the 12th Corporate Governance Evaluation (Evaluation Year: 2025), the Company did not receive scores on 14 evaluation indicators. Among these, the Company has prioritized improvements and enhancements on selected indicators, with the current progress detailed as follows: Evaluation Indicator 4.23: Does the company disclose its policies linking executive compensation to ESG-related performance evaluations? Current Status / Status of Improvement: The company expects to establish an executive compensation policy linked to ESG-related performance evaluations in 2026.	None

2.3.4 Disclose of company remuneration committee, it shall disclose its composition and operation.

(1) Compensation Committee Members

April 18, 2026

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Independent Director Yang, Shang Hsien	1. Leadership experience of compensation committee, audit committee and board of directors (for work experience, please refer to the information of directors on page 12). 2. Have industry knowledge and financial accounting knowledge. 3. There are no circumstances under Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	1
Independent Director Wu, Sou Shan	1. Leadership experience of compensation committee, audit committee and board of directors (for work experience, please refer to the information of directors on page 12). 2. Have industry knowledge and financial accounting knowledge. 3. There are no circumstances under Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	3
Independent Director Lee, Hsing Chin	1. Leadership experience of compensation committee, audit committee and board of directors (for work experience, please refer to the information of directors on page 12). 2. Have international market outlook, leadership decision-making knowledge. 3. There are no circumstances under Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)	0

Note: Independence of each member in the two years prior to election and during the term of office. (Conformities are disclosed in the table above).

(1) Non-employees of the company or its affiliates.

(2) Non-directors and supervisors of the company or its affiliated companies (except if the company and its parent company, subsidiaries or subsidiaries of the same parent company are independent directors established in accordance with this Act or the laws of the local country, this is not the case.)

(3) Non-person shareholders who are not themselves and their spouses, minor children, or other natural person shareholders who hold more than 1% of the company's total issued shares or hold the top ten shares in the name of others.

(4) Spouses, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship, not the managers listed in (1) or the persons listed in (2) and (3).

(5) Directors of corporate shareholders who do not directly hold more than 5% of the total issued shares of the company, who hold the top five shares, or who designate a representative to serve as a director or supervisor of the company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Law, Supervisors or employees (except if the independent directors of the company and its parent company, subsidiaries or subsidiaries of the same parent company act concurrently with each other in accordance with this Act or the laws of the local country, this does not apply).

(6) Directors, supervisors or employees of other companies whose directors, supervisors or employees of other companies are controlled by the same person (except for the company or its parent company, subsidiary company, or a child of the same parent company) Independent directors established by the company in accordance with this Act or local laws and regulations are not limited to each other.)

(7) A director (director), supervisor (supervisor) or employee of another company or institution that is not the same person or spouse as the chairman, general manager or equivalent of the company (but if it is the company and its parent company), subsidiaries or subsidiaries of the same parent company where

independent directors established in accordance with this Act or the laws of the local country serve concurrently with each other, this is not the case).

(8) Non-directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company (but if a specific company or institution holds the issued shares of the company, More than 20% of the total, but not more than 50% and the independent directors of the company and its parent company, subsidiaries or subsidiaries of the same parent company are established in accordance with this Act or the laws of the local country.

(9) Non- professionals, sole proprietors, partnerships, companies or institutions who are not professionals, sole proprietors, partnerships, companies or institutions that provide auditing services for companies or affiliated companies or whose accumulated remuneration in the last two years does not exceed NT$ 500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council), supervisors (supervisors), managers and their spouses. However, this does not apply to the members of the Compensation Committee, Public Takeover Review Committee, or Special Committee on Mergers and Acquisitions who perform their functions in accordance with the Securities and Exchange Act or the Mergers and Acquisitions Act.

(10) There is no one of the conditions in Article 30 of the Company Law.

(2) Information on the operation of the Remuneration Committee

A. There are 3 members of the compensation committee of the company .

B. The term of office of the current members : From June 18, 2024 to June 17, 2027, the salary and remuneration committee held 3 meetings in the most recent year (2025). The qualifications and attendance of the members are as follows:

Title	Name	**No. of meetings attended in person (B)**	**No. of meetings attended in proxy**	**In-person attendance rate (%) [B/ A]**	Remarks
Convener	Yang, Shang Hsien	3	0	100%	06/18/2024 Re-election
Committee Member	Wu, Sou Shan	3	0	100%	06/18/2024 Re-election
Committee Member	Lee, Hsing Chin	3	00	100%	06/18/2024 New appointment

Other mentionable items:

1. Responsibilites of the Compensation Committee:

The committee shall, with the attention of good managers, faithfully perform the following functions and powers and submit its recommendations to the board of directors for discussion:

(1) Regularly review the organizational rules of the Remuneration Committee and propose amendments.

(2) To formulate and regularly review the annual and long-term performance goals and policies, systems, standards and structures of the company's directors and managers.

(3) Regularly evaluate the achievement of the performance goals of the directors and managers of the company and set their salaries.

2.The meeting date, period, resolutions, resolution results of the compensation committee in the last year and the company's handling of the compensation committee's opinions:

Date	**Proposal Content**	**Result**	**Remuneration Committee**
01/17/2025	1.Discuss the company's 2024 manager's employee compensation cash payment 2.Discuss the company's 2024 annual board performance evaluation plan.	All the members present passed the case without objection	All the directors shall approve the proposed board of directors present without objection
03/07/2025	1. Discuss the company's 2024 director's remuneration and employee remuneration distribution plan.	All the members present passed the case without objection	All the directors shall approve the proposed board of

	2. Proposal for the definition and scope of the Company's non-managerial employees.		directors present without objection
08/11/2025	1.Discuss the company's 2024 manager's employee compensation cash payment 2.Discuss the 2026 work plan of the company's salary and compensation committee	All the members present passed the case without objection	All the directors shall approve the proposed board of directors present without objection

3. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
4. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

2.3.5 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
1. Does the company establish a governance structure to promote sustainable development and set up a resolute (part-time) unit to promote sustainable development, which is authorized by the board of directors to manage senior management and the supervision of the board of directors?	✓		The company strictly abides by international conventions and established a Corporate Social Responsibility Implementation Committee in 2017, which will be renamed the Sustainable Development Committee in 2023 to promote the governance structure of sustainable development. The Sustainability Committee, chaired by the Chairman, formulates the company's ESG vision and strategy, and establishes a Sustainability Office to lead the ESG working groups composed of senior managers from various departments, namely the "Environmental Sustainability Group", "Social Sustainability Group" and "Social Sustainability Group". Co-Prosperity Group" and "Corporate Governance Group". The ESG working group cooperates with the Sustainability Development Office to formulate implementation guidelines for various ESG projects and reports its progress and results to the Sustainability Development Committee. The Sustainability Office is mainly responsible for integrating ESG-related matters, including ESG working group resource integration, cross-departmental communication, etc. The Sustainability Committee formulates management standards based on various operational risk assessments and operates through internal audit and internal control mechanisms to ensure compliance with relevant laws. Regarding the environment, the Sustainability Office sets the group's sustainability goals, such as carbon reduction paths, proportion of renewable energy usage, participation in international initiatives, etc. For energy conservation in the factory, the heads of various departments jointly discuss energy-saving plans, launch them, and continue to track the progress of the project. In terms of social and governance, the company holds labor-management communication meetings every quarter, and regularly reviews work rules, such as working hours system, salary and benefits,	There are no major differences yet. Although the company has not yet compiled a sustainability report, it has set up "Corporate Social Responsibility" on the company's website (http://www.jarlly.com) to disclose corporate social responsibility-related information for investors' reference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			employee health, education and training, etc., to ensure that employees' appointment and dismissal conditions comply with legal regulations. Regularly every year (most recently in Report of the Board of Directors on January 30, 2026) will report its implementation status (for example, the implementation status of the education, training and complaint system) to the Board of Directors. After listening to the report, the Board of Directors will review the relevant implementation content and direction, and supervise the management team to make adjustments when necessary. No further recommendations after the Board of Directors meeting report on January 30, 2026. Internal and external education and training related to ESG sustainable development are held every year (for example: ESG trend analysis, climate change risk identification, integrity management, corporate governance, accounting systems and internal control and other related courses). In terms of the complaint system, the company has an "Operational Procedure for Complaints and Personal Rights Protection". The public website has a complaint acceptance telephone number and a report mailbox as channels for complaints. You can make complaints through the telephone and mailbox or to the general management office, audit office or financial department. Respond to appeals.	
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality and formulate relevant risk management policies or strategies? (Note 2)	✓		1. This disclosed information covers the company's sustainability performance at its major locations from January 2025 to December 2025. The risk assessment boundary includes important global operating locations and subsidiaries, and the coverage is the same as the annual sustainability report, including operating locations in Taiwan, Mainland China, etc. 2. Based on the principle of materiality, the company conducts risk assessments on environmental, social and corporate governance issues related to the company's operations, and identifies seven major issues. Based on the products,	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>services and related impacts, the assessment occurs within the boundary of the value chain.
3. The company's sustainable development committee holds regular meetings every year, inviting environmental, social and corporate governance responsible committee members and working group members to discuss the company through risk identification, risk analysis, risk assessment, risk response, and risk monitoring. Regarding current operational risks and emerging risks, the relevant risk management policies and response strategies are formulated as follows and reported to the board of directors once a year:
<table>
<tr><th>Subject</th><th>risk assessment project</th><th>Risk management policy</th></tr>
<tr><td>Environment</td><td>Greenhouse Gas Management</td><td>1.In response to global climate change, enterprises must mitigate the greenhouse gas (GHG) emissions generated from their own operations to alleviate the negative impacts on the climate.
2.The Company plans to adhere to the Science Based Targets initiative (SBTi) framework, striving to realize the standards set by the Paris Agreement and contributing to global efforts to limit average temperature rise to within 1.5°C.
3.We plan to adopt renewable energy and utilize energy sources with environmental benefits, thereby significantly reducing the likelihood of climate change mitigation and adaptation failures.</td></tr>
<tr><td>Society</td><td>Talent Attraction and Retention</td><td>1.Effective talent attraction and retention strategies enhance corporate competitiveness. They not only attract top-tier talent but also boost employee satisfaction, foster innovation and productivity, and simultaneously reduce recruitment and training costs.</td></tr>
</table></td><td></td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Summary description	

		2.The Company is committed to providing diverse development opportunities and learning resources to cultivate employees' professional capabilities and career growth. We pledge to establish fair compensation and promotion mechanisms, creating an inclusive and inspiring work environment that elevates employee satisfaction and a sense of belonging. Through a comprehensive talent strategy, we foster mutual growth for both the enterprise and our employees, ultimately achieving sustainable development.
Corporate Governance	Innovative R&D	1.The Company strongly supports breakthroughs in R&D and innovation. Driven by the strategic planning and active promotion of our R&D executives, along with the support and encouragement from the management team, we provide an open and flexible environment that inspires employee reflection and fosters cross-functional communication to stimulate brainstorming. 2.As of 2025, the Company holds 593 active and valid patent certificates (with a cumulative total of 1,135). While deeply rooted in our core 'hinge' technology, the R&D team has further expanded into the development of motorized hinge mechanisms, structures, and control technologies. Through optimized R&D and design, we enhance operational efficiency and minimize resource depletion, while implementing an electronic patent proposal system to achieve a paperless workflow.
	Information Security	1.Robust information security management mitigates the risk of data

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			and Customer Privacy: breaches, enhances corporate image, and improves operational efficiency, thereby fostering market trust and a competitive advantage for the enterprise. 2.The Company establishes and maintains its Information Security Management System (ISMS) in accordance with the ISO 27001 international standard. We implement rigorous measures—including encryption technologies, firewalls, and access controls—to prevent unauthorized access and data leakage, ensuring total data security.	
			Economic Performance: 1.Sustained and robust profitability is a cornerstone of corporate sustainability, enabling the enterprise to effectively implement environmental sustainability, social initiatives, and employee care, while maximizing shareholder value. 2.We disclose our financial performance in strict compliance with applicable laws and regulatory requirements. 3.Through consistent and solid profitability, we analyze and interpret our profit drivers to optimize the allocation of financial resources.	
			Product Quality and Safety: 1.The Company implements rigorous product testing and stringent quality control, placing a high priority on meeting customers' product quality requirements. To ensure that all raw materials comply with hazardous substance regulations, we adopted the IECQ QC080000 system in 2012. In compliance with international environmental regulations, we perform hazardous substance management for 100% of our raw materials and hinge products,	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			establishing effective management and monitoring mechanisms. 2.The Company has established the 'Quality and Hazardous Substance Process Management System Committee.' The Chairman (or President) appoints the Management Representative, and various business units serve as committee members to fully implement relevant quality and hazardous substance management requirements across all departments.	
Environmental issues (1) Has the company established an appropriate environmental management system according to its industrial characteristics? (2) Is the company committed to improving the utilization efficiency of various resources and using recycled materials with minimal impact on the environment? (3) Has the company assessed the current and future potential risks and opportunities of climate change to the company and taken measures to address climate-related issues? (4) Has the company counted the greenhouse gas emissions, water consumption and total weight of waste in the past two years and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management?	✓ ✓ ✓ ✓		(1) In June 2008, it won the ISO14001 (2004 version) environmental management system certification from the Standards and Inspection Bureau of the Ministry of Economic Affairs and the OHSAS18001 (2007 version) occupational safety and health management system certification from the Standards and Inspection Bureau of the Ministry of Economic Affairs; in January 2009, it won the LCIE-IECQ QC 080000:2012 Hazardous Materials Process Management System (HSPM) certification; in February 2010, it was awarded the ARES-IECQ QC 080000: 2017 Hazardous Materials Management System (HSPM) certification again (validity period 2020/12/03~2023/12/02, certification date: 2009/01/12); won the AFNOR-IECQ QC 080000: 2017 Hazardous Materials Management System (HSPM) certification in February 2024 (validity period 2024/02/22~2027/02/21, certification date: 2009/01/12); in June 2019, it won the ISO45001 (2018 version) occupational safety and health management certification from the Bureau of Standards and Inspection of the Ministry of Economic Affairs; The Company again passed the ISO14001 (2015 version) environmental management system certification from the Metal Industry Research and Development Center (validity period: 2025/06 /05~2028/06/04), and ISO45001 (2018 edition) occupational safety and health management certification (validity period: 2025/05/30~2028/05/29). In	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Summary description	
			2023, it passed the ISO14064-1 greenhouse gas inventory standard certification issued by SGS Taiwan Inspection Technology Company, and will conduct inspections in accordance with this standard every year starting from 2023. (2) To fulfill the social responsibility of protecting the global environment, the company develops relevant processes and technologies to reduce the use of harmful substances in electronic and electrical equipment and requires suppliers to provide raw materials that meet environmental protection requirements. At present, all products of the company fully comply with the European Union. The use of hazardous substances in electronic and electrical equipment is restricted and the RoHS2.0 directive is prohibited, so that the recycling and disposal of waste electronic and electrical equipment meets environmental protection requirements. In 2021, the realized amount of recycled waste is NT3,000. (3) In accordance with the TCFD, CDP, and ISO 14001 structures, the company evaluates the risks and opportunities that climate change poses to the company every year. After completing the latest environmental assessment at the end of 2022, the issue of greenhouse gas inventory and reduction will be proposed. Since 2018, the company has also begun to conduct an inventory of the current situation of climate change and put forward improvement suggestions based on the TCFD and CDP disclosure platforms every year, including direct or indirect impacts caused by extreme weather, or the impact of regulations or market demands, as well as other social challenges. The risks and opportunities caused by the company's operating activities were analyzed, and the latest inventory was completed in August 2023. The company formulates target management plans based on previous analysis results every year, and regularly tracks and reviews the progress of each target. It has ensured that the target is 100% achieved by December 2025. (4) Greenhouse Gas Emissions	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>In compliance with environmental regulations set by the Ministry of Environment, the Company has established an Environmental, Health, and Safety (EHS) Management Manual. Our energy-saving and carbon-reduction mechanisms have been integrated into our greenhouse gas inventory standards, environmental policies, and occupational health and safety management systems in accordance with ISO 14064-1, ISO 14001, and ISO 45001. Furthermore, considering environmental and hazard risk assessments, we have formulated strict energy-saving and carbon-reduction control measures.
Electricity is the Company’s primary source of carbon emissions. To mitigate our carbon footprint, we prioritize energy efficiency ratings and inverter technology when purchasing air conditioning equipment, and have progressively replaced electrical appliances, such as lighting fixtures, with certified energy-saving models. Since 2017, older fixtures have been phased out and replaced with energy-efficient LED panel lights, a initiative incorporated into our annual green energy and carbon reduction targets. As of 2022, 100% of our lighting fixtures have been upgraded to energy-saving LEDs, and all newly purchased air conditioners are energy-efficient inverter models.
In 2024 the Taipei plant underwent its third greenhouse gas inventory, followed by the fourth inventory in 2025. The 2024 greenhouse gas emissions data received ISO 14064-1 verification in August 2025. The 2025 emissions data is scheduled for verification in April 2026. In 2025, the Taipei plant did not achieve the target of reducing carbon emissions by 1%.
<table>
<tr><th>Emission values by category</th><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>SUM</th><th>NOTE</th></tr>
<tr><td rowspan="2">greenhouse gas emissions</td><td>2024</td><td>291.0509</td><td>4,819.7254</td><td>5,110.7763</td><td>Taipei</td></tr>
<tr><td>2025</td><td>769.6730</td><td>8,745.1641</td><td>9,514.8371</td><td>The Group</td></tr>
</table></td><td></td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			(metric tons CO2e/year)					| Water Resource Management Jarllytec is fully committed to resource recycling and promoting environmental sustainability. Since 2022, we have comprehensively implemented an obsolete equipment replacement program, achieving a replacement rate of 98% to date, while continuing to prioritize water-saving machinery. To fulfill our corporate social responsibility and achieve water conservation targets without altering daily usage habits, our facilities have adopted water-saving fixtures (such as faucets and toilets) certified by various regional standards, including the Taiwan Water Label, China Water Efficiency Label, Thailand Green Label, and Vietnam Water Efficiency Label. The water consumption statistics for the entire Group are summarized below: Item / Unit / 2024 / 2025 Total Water Consumption / Metric tons / 112,012.1934 / 91,703.4865 Water Intensity / Metric tons / NT$ 1 million / 11.6947 / 9.7500 Data Boundary: Covers the parent company and all subsidiaries included in the consolidated financial statements (including facilities in Taiwan, Mainland China, and Southeast Asia). The Company has established a long-term goal of a 1% annual reduction in water consumption. Based on this target, the projected goal for 2025 was set at 110,892.07 metric tons. Benefiting from the efficiency of equipment upgrades and the rigorous implementation of water-saving measures, the actual water consumption for 2025 concluded at 91,703.49 metric tons. This actual performance outperformed the target value by 17.3%, significantly exceeding the goals of the annual water resource management plan.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			Waste Management In alignment with our ISO 14001 Environmental Management System (validity period: 2025/06/05 – 2028/06/04), the Company has established a sustainability goal of a 1% annual reduction in waste. Through precise classification, source reduction, and enhancing resource recycling efficiency, we are fully committed to minimizing the environmental impact of our business operations. Waste management statistics for the entire Group are summarized below:	

Item	Unit	2024	2025	YoY Change (%)
hazardous industrial waste	Metric tons	0	0	-
Non-hazardous industrial waste	Metric tons	212.44	272.25	+28.1%
Total	Metric tons	212.44	272.25	+28.1%
Waste Intensity	Metric tons / NT$ 1 million	0.0222	0.0289	+30.1%
Recycle	Metric tons	131.56	163.87	+24.6%

Data Boundary: Covers the parent company and all subsidiaries included in the consolidated financial statements (including facilities in Taiwan, Mainland China, and Southeast Asia).

The volume of non-hazardous business waste generated in 2025 increased compared to 2024. This was primarily driven by expanded annual production capacity, increased manufacturing schedules, and temporary waste generated during process optimization, which led to the temporary short-fall in achieving the annual 1% reduction target.

To actively promote a circular economy, the Company's resource recycling and reuse volume concurrently rose to 163.87 metric tons in 2025 (a significant increase of 24.56% year-on-year). Committed to environmental sustainability, we will continue to drive initiatives such as resource recycling,

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>waste-to-energy, and reuse to ensure steady progress toward our long-term annual reduction targets.</td><td></td></tr>
<tr><td>4. Social Issues
(1) Does the company formulate relevant management policies and procedures in accordance with relevant laws and international human rights conventions?</td><td>✓</td><td></td><td>(1) Human Rights Policy
Jarllytec strictly adheres to internationally recognized human rights standards, including the United Nations (UN) International Bill of Human Rights, the International Labour Organization (ILO) Core Labour Standards, and the Ten Principles of the United Nations Global Compact. We formulate the Company's human rights policies and related management systems in accordance with the labor-related laws and regulations of the locations where we operate.
The Company is committed to respecting and protecting the fundamental human rights and personal dignity of all employees. We strive to provide a fair, inclusive, and safe working environment, and strictly prohibit any form of discrimination, forced labor, mistreatment, or human rights violations. This policy applies to all employees of the Company (including full-time, contract, local, and foreign employees) and extends to suppliers, contractors, and other business partners to jointly fulfill the responsibility of protecting human rights.
I. Human Rights Issues of Concern and Management Measures
Prohibition of Child Labor
Prohibition of Forced Labor
Elimination of Unlawful Discrimination
Safe and Healthy Working Environment
Strict Prohibition of Sexual Harassment and Mistreatment
II. Human Rights Management System
To ensure the effective implementation of our human rights policy, Jarllytec has established a comprehensive management system and operational procedures as the basis for executing human rights management. Relevant systems include the Corporate Social Responsibility Management Manual, Employee Recruitment and Employment Procedures, Sexual</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			Harassment Prevention and Management Measures, Complaints and Personal Rights Protection Operational Procedures, Health Examination Control Procedures, Ergonomic Assessment Management Procedures, and Hazard Identification and Risk Assessment Control Procedures. Through institutionalized management, we continuously strengthen workplace human rights protection and safety management. III. Continuous Improvement of Human Rights Policy Jarllytec continuously monitors international human rights trends and key stakeholder issues. We regularly review and optimize the effectiveness of relevant policies and management systems. Through education and training, internal audits, and risk management mechanisms, we continuously enhance the maturity of our human rights governance to achieve corporate sustainable development and fulfill our social responsibility commitments. IV. Human Rights Governance Framework Under the supervision of the Board of Directors, the Company has established the "Sustainability Development Committee." Chaired by the Chairman of the Board, the Committee is responsible for orchestrating ESG strategic planning, major issue decision-making, and human rights management performance reviews, reporting execution results to the Board regularly to strengthen governance oversight and transparency. The Sustainability Development Office, established under the Sustainability Development Committee, is responsible for cross-departmental coordination, resource integration, and execution tracking to ensure that human rights policies and related management systems are implemented across all operating units. Concurrently, the Company has established three major working groups: Environmental Sustainability, Social Prosperity, and Corporate Governance. Led by the heads of respective departments, these groups drive concrete action	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Summary description	
			plans and report progress regularly, forming a top-down, cross-departmental collaborative system for sustainable governance and human rights management. V. Human Rights Management Performance and KPI Disclosure To ensure the effective implementation of our human rights policy, Jarllytec has established a mechanism for regular tracking and management indicators to evaluate human rights governance outcomes in a quantified and institutionalized manner. The Sustainability Development Office reports stakeholder communication and human rights management status to the Board of Directors annually as a basis for continuous improvement. Human Rights Education and Training: The Company continuously promotes training related to human rights, integrity, and workplace ethics for all employees. Implemented institutionally through new hire orientation and on-the-job training, we conduct education and training programs for employees on eliminating unlawful discrimination, ensuring equal employment opportunities, prohibiting forced labor, and ethical management. In 2025, human rights-related education and training programs covered issues such as the prohibition of forced labor, prohibition of child labor, anti-discrimination, and anti-harassment to raise employee awareness and implement relevant policies. The training achieved a total of 11,339 participants and reached an aggregate of 9,305 hours. Workplace Safety and Health Management: The Company implements the ISO 45001 Occupational Health and Safety Management System. We aim to reduce occupational hazards and enhance health management efficiency by continuously monitoring workplace risks through hazard prevention, compliance monitoring, and providing fully company-funded health examinations. Additionally, on-site medical personnel	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			and contracted physicians provide monthly face-to-face medical consultation services. Grievance Mechanisms and Labor Rights Protection: The Company has established a grievance mechanism based on the principles of confidentiality, fairness, and non-retaliation. We provide an employee suggestion box, a dedicated email address (employee@jarlly.com), and a sexual harassment grievance mailbox to ensure all cases are handled according to standard procedures. Concurrently, regular labor-management meetings are held to maintain open communication channels, reinforcing institutional trust and the protection of employee rights. Supply Chain Human Rights Management: The Company continuously urges suppliers to comply with the Responsible Business Alliance (RBA) Code of Conduct and corporate social responsibility standards. 100% of qualified suppliers are required to sign the "Supplier Social Responsibility Commitment Letter" and "Integrity Commitment Letter." We progressively strengthen supply chain human rights risk management through annual supplier CSR self-assessments and annual supplier audit mechanisms. Overall, through education and training, internal audits, and risk management mechanisms, the Company continuously tracks the execution of various human rights management indicators. Based on these results, we conduct annual reviews and improvements to steadily elevate our human rights governance maturity and sustainable management performance.	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(2) Does the company formulate and implement reasonable employee welfare measures (including remuneration, vacation and other benefits.) and appropriately reflect business performance or results in employee remuneration?

(3) Does the company provide employees with a safe and healthy working environment and conduct regular safety and health education for employees?
career development training program for employees?

(4) Does the Company established effective career development training programs for employees?

(5) Regarding issues such as customer health and safety, customer privacy, marketing and labelling of products and services, does the company follow relevant regulations and international standards and formulate relevant policies and appeal procedures for the protection of consumers or customers’ rights and interests?

(6) Has the company formulated a supplier management policy, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights and their implementation?</td><td>✓

✓

✓

✓

✓</td><td></td><td>(2) Employee compensation
The Company has established a comprehensive employee compensation and benefits system, appropriately reflecting business performance in employee remuneration to attract and retain top talent.
In terms of the compensation system, year-end bonuses are distributed based on the Company's operational status and the results of individual annual performance evaluations, motivating employees to collaboratively achieve business objectives. Furthermore, according to the Company's Articles of Incorporation, employee remuneration is allocated from the current year's profits at a rate of no less than 2%.
Regarding welfare measures, the Company has established an Employee Welfare Committee to provide diverse benefits. These include employee travel subsidies, cultural activities, birthday bonuses, marriage bonuses, maternity bonuses, and funeral allowances. In addition, we provide fully company-funded health examinations and preferential employee car-purchase programs.
In terms of leave policies, in addition to implementing a two-day weekend system, special annual leave is provided in accordance with the law. To help employees balance work and family responsibilities, a leave-of-absence system is also available for needs such as parental care, major illness, or family emergencies.
The Company also regularly participates in market salary surveys, adjusting compensation based on market wage levels, macro-economic trends, and individual performance to maintain competitive remuneration. In 2025, the average salary adjustment rate in the Taiwan region (including both managerial and non-managerial staff) was 3%.
Retirement Plan
In accordance with the provisions of the Labor Standards Statutes (Labor Standards Act), the Company has established a defined benefit retirement plan. This plan applies to the</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			service years of all regular employees prior to the implementation of the Labor Pension Act on July 1, 2005, as well as the subsequent service years of employees who elected to continue to be subject to the Labor Standards Statutes after the implementation of the Labor Pension Act. For employees who meet the retirement criteria, pension payments are calculated based on their years of service and their average salary for the six months prior to retirement. Two bases are granted for each year of service within the first 15 years (inclusive), and one base is granted for each year of service exceeding 15 years, subject to a maximum cumulative limit of 45 bases. The Company contributes 2% of total monthly salaries to a retirement fund, which is deposited in a dedicated account at the Trust Department of Bank of Taiwan under the name of the Supervisory Committee of Labor Retirement Reserve. Effective July 1, 2005, the Company has established a defined contribution retirement plan in accordance with the Labor Pension Act, applicable to employees of R.O.C. (Taiwan) nationality. For employees who elect to be covered under the labor pension system stipulated by the Labor Pension Act, the Company contributes 6% of the employee's monthly insurable salary, based on the Monthly Contribution Classification Table, to the employee's individual pension account at the Bureau of Labor Insurance on a monthly basis. The payment of an employee's retirement pension shall be received in the form of monthly pension payments or a lump-sum pension payment, determined by the amount accumulated in the employee's individual pension account and its cumulative earnings. (3) Occupational Safety and Health Policy The Company establishes its policies in compliance with the Occupational Safety and Health Act and customer regulations, adhering to the occupational safety and health requirements of	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			relevant organizations to construct a healthy and fulfilling workplace. Workplace and public safety are issues of paramount importance to the Company. Each year, we regularly conduct two fire drills and industrial safety education training sessions. We provide occupational safety and health training to every new employee and conduct annual traffic safety promotions. Through practical drills and educational courses, we reinforce employees' emergency response capabilities and self-safety management skills. Regarding our safety protective equipment and fire fighting facilities, personnel and specialized contractors are arranged to perform inspections once a year to ensure that the equipment functions properly in the event of an emergency, thereby securing the safety of our colleagues and creating a zero-disaster environment. On the production floor, employees are provided with relevant Personal Protective Equipment (PPE). Site inspections indicate that approximately 95% of employees strictly wear their PPE, and promotional efforts will be further strengthened for the remaining personnel. In 2025, the Company's Disabling Injury Frequency Rate (FR) was 0.23. There was a total of 1 occupational accident involving 1 employee (Taiwan facility), representing approximately 0.04% of the total workforce, showing no variance compared to 2024. Among these, the number of fire incidents was 0, with 0 casualties (0.0% of the workforce). Relevant departments reviewed the occupational accident, proposed improvement strategies, and implemented safety promotions for climbing up and down stairs, increased the posting of warning signs, and inspected whether anti-slip strips had detached, thereby ensuring the safety of colleagues walking on stairs. Workplace Environmental Monitoring To protect workers from being affected by environmental factors while working at job sites and to provide a healthy and	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	**No**	Summary description	
			comfortable working environment, workplace environmental monitoring (covering illumination, carbon dioxide, etc.) is executed twice a year to understand whether workers are exposed to hazardous substances. EHS Audits The Group implements regular 7S inspections once a month alongside irregular production line spot checks, applying a closed-loop mechanism of "tracking within the month, rectifying within the month" for any non-conformities. The relevant implementation outcomes are reported quarterly at the Occupational Safety and Health Committee meetings, and key items are reinforced to all colleagues to deepen environmental, health, and safety (EHS) awareness across the workforce. Health Promotion The Company is dedicated to promoting tobacco hazards prevention and health promotion to establish an excellent healthy working environment. In January 2025, the Company was re-evaluated and approved by the Health Promotion Administration, Ministry of Health and Welfare, and was awarded the "Badge of Accredited Healthy Workplace - Health Promotion." Additionally, designated personnel are appointed to attend safety and health seminars, and special health examinations are regularly implemented for employees involved in hazardous operations to elevate workplace safety and health. Furthermore, with the goal of enhancing the physical and mental well-being of our colleagues, the Company encourages employees to cultivate exercise habits and fosters organizational cohesion through the establishment of club activities. The Taiwan facility participated in two road running events in 2025 to boost employee health; the Mainland China facility conducted two team-building activities in 2025, strengthening organizational cohesion through informal communication channels, effectively relieving workplace stress, and creating a balanced, employee-friendly workplace environment.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Summary description	
			Occupational Safety and Health Education, Training, and Promotion To ensure that employees are well-versed in occupational safety and health regulations, safety and health management mechanisms, and employee health promotion, education and training programs are arranged. The curriculum encompasses disease prevention information (such as the Tobacco Hazards Prevention Act), emergency response (e.g., fire fighting and chemical spill response), occupational safety and health (e.g., electrical safety and workplace injury prevention), and environmental regulatory requirements. (4) The company focuses on product quality improvement and employees' R&D and innovation capabilities and encourages employees to participate in activities such as quality technician certification, domestic and foreign technical seminars., in addition to cultivating employees' professional functions, further expand employees' international vision and grasp industry market trends and market trends. technical skills. Educational training covers: new personnel training, professional function training, supervisor ability training and general training. In 2025, the total number of employees who practically participated in training sessions reached 34,853 person-times (participants). This includes self-funded programs as well as complimentary training courses organized by competent authorities, accounting firms, industry associations, and internal corporate sessions. The Company's actual expenditure on training for the year amounted to NT$1,101,903. For the complete results of employee education and training in 2025, please refer to Section IV, Operational Overview / V. Labor-Management Relations of this Annual Report. Upon onboarding, employees undergo orientation training and specialized on-the-job vocational training. Additionally, an annual training needs survey is conducted to formulate and execute the annual training plan in alignment with our	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			operational strategies and talent sustainability goals. Effectiveness evaluations are performed based on training outcomes to reinforce employee competencies, thereby enhancing corporate operational performance and competitiveness. To support the Company's long-term development and elevate employee caliber, we have constructed a diverse and systematic training framework, encouraging internal professionals to conduct professional skill-sharing courses. Through systematic talent cultivation, we enable every employee to maximize their potential. ● Quality Management and Continuous Improvement Training: Strengthens quality control capabilities and process optimization to enhance operational stability and efficiency. ● Professional Ethics and Integrity Management Training: Establishes a corporate culture of integrity and compliance awareness to mitigate governance risks. ● Personal Data Protection and Human Rights Safeguards Training: Protects employee rights and personal data privacy to implement human rights policies. ● Information Security and Cyber Governance Training: Upgrades cybersecurity defense capabilities and institutional risk resilience. ● ESG and Sustainable Development Training: Deepens sustainability awareness to drive corporate social responsibility and low-carbon transition. ● Managerial Competencies and Talent Cultivation Training: Builds a robust management echelon and a comprehensive talent succession framework. ● Product Safety and Technology Knowledge Transfer Training: Ensures product quality and safety while preserving core technical competitiveness.	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			• On-the-Job Continuing Education and General Training: Promotes cross-disciplinary learning and organizational collaborative capabilities. (5) The company's products are regulated by environmental safety and health, HSF, RBA social responsibility regulations and industry standards and there are special personnel and e-mail mailboxes to deal with relevant issues related to consumer rights complaints to ensure that when customer complaints occur, they can be dealt with as soon as possible. We have established a customer complaint control program and through the cause analysis and improvement of customer complaints, we can prevent similar incidents from happening again. (6) The company has established "External Supply Process Management Procedures" and "External Supply Process Management Measures". When selecting new suppliers, they will be required to sign the "Environmental Quality Assurance Letter" and decide to conduct an on-site evaluation. Process quality (QPA) and Hazardous Substance Process Management (HSF) are evaluated. After the evaluation records are sorted out by the quality assurance unit, they are delivered to the evaluation team for judgment and sent to the relevant units and the supplier to know and continue to follow up for the evaluation. Identify missing items, respond to improvement evidence within a time limit and then conduct regular audits on the classification of qualified suppliers to reduce environmental impact. Since 2019, the ISO 45001 occupational safety and health management system and the implementation of the CSR corporate social responsibility system have been implemented and the implementation of human trafficking prevention regulations has been increased, requiring all suppliers to sign and comply to ensure the basic rights and interests of laborers. In addition, the terms of the contract between the company and the supplier state that within the contract period, if either party is unable to perform	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			the content and conditions of the contract for reason (including force majeure), it can notify the other party in writing and after both party's sign and agree, which terminates the contract. Supplier evaluation management is as follows,	

Supplier evaluation	1. Relevant units may search for new suppliers and make samples for trial due to task requirements; after the demand unit initially confirms that it has the supply capacity and willingness to cooperate, the demand unit shall submit a supplier evaluation application form to the quality assurance unit for proceeding. Formal evaluation. 2. All new suppliers must pass the supplier QSA & QPA assessment of relevant units and comply with the supplier code of conduct in order to obtain the company's supplier qualifications. 3. Suppliers must sign the purchase contract/Integrity Commitment/Environmental Protection Guarantee/Supplier Social Responsibility Commitment/REACH SVHC Questionnaire/Confidentiality Contract. 4. Existing cooperative suppliers will also conduct annual audits and evaluations on delivery quality to ensure quality stability.
Supplier audit Supplier audit	1. The quality assurance unit receives the new supplier evaluation schedule and notifies relevant units to set up an audit team before the audit to track and improve the deficiencies in the supplier audit, jointly improve quality and technology, improve processes, improve yields, and strengthen environmental protection. Safety and health performance. 2. The quality assurance unit of existing suppliers will select the top six defective suppliers based on the IQC spot inspection results from January to December of the previous year. The quality assurance unit will arrange the audit schedule for the current year and carry out on-site audits. 3. In addition to the six previously mentioned non-performing suppliers, select suppliers with seven to twenty defective rankings, and

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td>use the results of the manufacturer's self-evaluation on a written checklist as the basis for evaluation. The frequency is once a year, and the evaluation results are implemented according to the grade.</td></tr>
<tr><td>Supplier training</td><td>1. The company will hold supplier conferences or audit training groups from time to time to effectively improve environmental protection, safety and health performance through different types of guidance and communication, and comply with international environmental standards.
2. The curriculum encompasses critical international trends, including the Responsible Business Alliance (RBA) Code of Conduct, Environmental, Social, and Governance (ESG) Sustainability Management, introductions to EEP electronic systems, Environmental Quality Assurance (EQA) certifications, and clarifications on the 247th Substance of Very High Concern (SVHC) under the REACH regulation.</td></tr>
<tr><td>Supplier Forum and Recognition</td><td>1. The company evaluates and commends outstanding suppliers every year. In addition to conveying the manufacturers' sustainable development concepts and goals for the company, the company also specifically praises manufacturers with excellent quality.
2. The commendation meeting mainly focuses on annual recognition of suppliers with outstanding performance and outstanding contributions in four major aspects: quality improvement, cost reduction, ensuring delivery, and joint sustainable development.</td></tr>
</table></td><td></td></tr>
<tr><td>5. Does the company refer to the internationally accepted report preparation standards or guidelines to prepare reports such as sustainability reports that disclose non-financial information of the company? Has the previous disclosure report obtained the assurance or assurance opinion of the third-party verification unit?</td><td>✓</td><td></td><td>The company released its first sustainability report in August 2023, which was compiled using GRI Standrds, the internationally accepted reporting guideline, to explain the promotion and performance of sustainable development policies, including operating performance, corporate governance, product responsibility, and sustainability. Demonstration of the environment, employee care and welfare, creating a safe workplace and social participation.</td><td>There are no major differences yet.</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
			The indicators disclosed in the report mainly focus on the Taiwan headquarters and factories of Zhaoli Technology Industrial Co., Ltd. and the factories in mainland China. The economic performance indicators are disclosed as entities in the consolidated statements, including the company and its subsidiaries. The statistical data disclosed in the report are derived from the company's own statistics and surveys. If there are any estimates, they will be noted in the relevant chapters. The sources of relevant financial data are all prepared in accordance with the International Financial Reporting Standards (IFRSs) approved and issued by the Financial Supervisory Commission and the Financial Reporting Standards for Securities Issuers, and have been verified and certified by KPMG Taiwan. , publicly released financial report information. The contents of the 2024 Sustainability Report were approved by both the Chairman and the Board of Directors; however, no external assurance or verification was conducted.	
6. If the company has its own sustainable development code in accordance with the "Code of Practice for the Sustainable Development of Listed OTC Companies", please describe the differences between its operation and the prescribed code: On January 20, 2017, the company passed the resolution of the board of directors to formulate the "Social Responsibility Management Manual". At present, there is no major difference between the implementation and operation of corporate social responsibility and the code stipulated.				
7. Other valuable information helpful to understand the implementation of the promotion of sustainable development: (1) Social Engagement and Community Prosperous CoexistenceUpholding the philosophy of "giving back to the society that nurtures us," Jarllytec participates in annual donations to disadvantaged groups, responds to societal needs, and actively contributes to local societies and communities. Jarllytec is strategically located within the New Taipei Industrial Park, an urban hub in the Greater Taipei area spanning approximately 140 hectares across the Xinzhuang and Wugu Districts, which currently hosts around 1,500 operating enterprises. As the park primarily consists of small and medium-sized enterprises (SMEs), the resources available to charitable and social welfare organizations are relatively limited. By taking concrete actions, the Company aims to encourage more local businesses and residents to participate in philanthropy. Specifically, we have actively supported product procurement and volunteer services for the Syin-Lu Social Welfare Foundation (New Taipei City Ciyou Sheltered Workshop) and the Andrew Food Bank within the industrial park. Given our close proximity to the service areas of these two foundations, every purchased item and donated fund directly benefits neighboring families and children. Through these hands-on initiatives, we hope to inspire more local enterprises and community members to engage in charitable activities, collectively building a brighter future for the industrial park.Children represent the nation's future and the most vital segment of society requiring protection. Fully aware of the immense value that corporate care brings to underprivileged children, broken families, and individuals with disabilities, Jarllytec continues to deeply root its philanthropic efforts within the Greater Taipei area and adjacent				

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	

industrial park systems. In 2025, in addition to making regular monthly donations totaling NT$48,000 to the Taiwan Fund for Children and Families (TFCF) and the Boyo Social Welfare Foundation, we also donated NT$190,000 to the Sunshine Social Welfare Foundation. Furthermore, we actively participated in charity events and love-commodity purchasing from the Datong Children's Home, the Down Syndrome Foundation R.O.C., and the Autism Social Welfare Foundation (including its affiliated I CAN LOHAS Workshop), with an annual procurement volume reaching NT$86,712. By improving educational resources and living facilities, as well as supporting vocational training, we hope to forge safe, warm growing environments and self-reliance opportunities for beneficiaries, actively fulfilling our corporate citizenship and channeling a warming power to transform society.In addition, the Company led employees to the Andrew Food Bank for volunteer services to give back to society, dedicating 10 personnel to assist with the packing and organizing of food boxes. Through hands-on participation, employees gained a profound understanding of the challenges and hardships faced by disadvantaged families, fostering a greater sense of compassion and warmth. The Company actively practices sustainable development and is committed to deeply integrating "employee health promotion" with "social philanthropy support." In 2025, the Company rallied 61 employees to participate in the "Ignite Love and Hope" Charity Road Run organized by the Miner's Son Education Foundation, aimed at supporting educational aid programs for orphanage children and underprivileged students, thereby manifesting corporate social responsibility.Demonstrating a deep commitment to local care, the Company donated 204 Dragon Boat Festival rice dumplings to the Huashan Social Welfare Foundation in 2025, fulfilling our sustainability responsibility through concrete community involvement. Alongside our philanthropic pursuits, Jarllytec safeguards lives with tangible actions by hosting bi-annual blood drives within our facilities. This year's events successfully mobilized 110 and 123 bags of whole blood respectively, providing timely and precious relief to blood bank shortages. Every single bag of blood symbolizes hope for patients in urgent need of medical relief.To fulfill our commitment to environmental sustainability and local ecological protection, the Company encourages employees to dedicate themselves to natural environment maintenance. In 2025, the Company launched the "Protecting the Green Belt, Cleansing Our Home" Volunteer Day, rallying 16 colleagues to head to Mt. Guanyin in New Taipei City for a mountain clean-up initiative. Through active participation, we reduced the ecological burden on mountain forests and demonstrated corporate respect for biodiversity.In an innovative move for 2025, the Company partnered with the Walkii digital platform to launch the "Healthy Forest" initiative. The program successfully mobilized 165 employees to participate in online walking challenges, transforming their health steps into 12,969.5 kg of carbon reduction and culminating in the physical planting of 11 trees. Through the dual achievements of digital transformation and real reforestation, we delivered the synergistic sustainability value of "Employee Health and Planetary Sustainability."

(2) Employee Satisfaction Survey and Improvement Measures
The Company's Human Resources Department conducts an annual employee satisfaction survey to gather staff feedback, which serves as a vital basis for continuous improvement. The 2025 survey was administered from November 17 to November 21. Utilizing a systematically designed questionnaire, the survey aimed to gauge employees' overall perceptions of organizational management and the working environment, providing data to formulate subsequent improvement measures.
The survey encompassed seven major dimensions: Corporate Social Responsibility and Professional Ethics, Work Assignment and Acceptability, Job Learning and Competency Utilization, Work Support Level, Education Training and Environmental Safety, Smoothness of Communication Channels and Feedback Adoption, and Employee Participation and Awareness in Organizational Decision-making. A total of 692 employees participated in the survey, achieving an employee coverage rate of 87% and an overall satisfaction rate of 95%.
Based on the survey results, the Company has planned the following strategic measures for 2026:

I. Enhancing Institutional Transparency: Review the rewards and punishments system, and organize institutional briefing sessions based on implementation status to elevate employees' understanding of and alignment with corporate policies.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	

II. Deepening Talent Development Mechanisms: Design a tiered training system tailored to different functions and job levels, integrate in-person and online courses, and establish learning incentive mechanisms to continuously enhance employee professional competencies and organizational competitiveness.
III.Driving Process Optimization and Digitalization: Evaluate the introduction of automation tools aligned with the operational characteristics of each department to boost work efficiency and mitigate employee workloads.
IV.Optimizing Employee Dining and Environmental Quality: Gather employee feedback via dining satisfaction surveys to serve as a baseline for catering supplier management, and continuously improve the dining environment and seating layouts to elevate the overall employee dining experience.
Through regular surveys and a rolling review mechanism, the Company will continuously strengthen employee care and communication, fostering an excellent workplace environment and fulfilling our commitment to corporate sustainable development.

(3) Promoting Diversity, Equity, Inclusion (DEI) and Gender Equality
The Company is fully committed to promoting diversity, equity, inclusion (DEI), and gender equality. We implement workplace diversity alongside fairness in compensation and promotion opportunities, ensuring that employees are free from discrimination, harassment, or unequal treatment based on race, gender, religion, age, political affiliation, or any other status protected by law. The Company values a diverse workforce and actively employs individuals with disabilities; our actual headcount has reached 1.6 times the statutory requirement (with 11 individuals employed against the statutory mandate of 7). The relevant promotional measures are as follows:
I. Explicit Anti-Discrimination and Anti-Harassment Policies: Explicitly define anti-discrimination and anti-harassment policies within the Work Rules, Recruitment Management Procedures, Corporate Social Responsibility Management Manual, and Promotion and Salary Adjustment Systems, all of which are announced on the internal corporate website.
II. Gender-Diverse Workplace: In 2025, female employees accounted for over 50% of the total workforce, demonstrating a gender-diverse workplace environment.
III.Prevention of Workplace Bullying and Sexual Harassment: Conduct annual promotional activities for the prevention of workplace bullying and sexual harassment, backed by established grievance mechanisms.
IV.Employment Diversity: Actively hire re-employed women (women returning to the workforce) and new immigrants to foster employment diversity.
V. Exceeding Statutory Employment of Individuals with Disabilities: Super-comply with (exceed) the statutory quota for employing individuals with disabilities to actively fulfill corporate social responsibility.
VI.Regular Training Sessions: Organize regular education and training sessions related to gender equality to elevate employee awareness.
VII.Lactation Rooms: Establish lactation (breastfeeding) rooms to provide a secure and comfortable environment for employees in need.

Multivariate indicator category	Proportion of employees
Women account for the total workforce	58.11
handicapped	1.58
less than 30 years old	29.57
30-50 years old	63.92
over 50 years old	6.50

2.3.6 Climate-related information for listed OTC companies

1. Implementation of climate-related information

<table>
<tr>
<td>1. Describe the board and management’s oversight and governance of climate-related risks and opportunities.</td>
<td>The company follows the Task Force on Climate Related Financial Disclosures (TCFD) to identify climate-related risks and opportunities. On climate issues, the company’s board of directors is the highest supervisory unit, coordinating the overall climate strategy and supervising the implementation of the sustainable development committee. Climate-related risk management scenarios. The Sustainability Committee regularly reviews environmental, social and corporate governance risk assessments, including but not limited to issues related to climate change, to promote operations, identify major risks and opportunities, and develop response and adaptation strategies. It is organized by the Sustainability Committee at least once a year. The Development Committee reports to the Board of Directors the company’s implementation results and plans on issues related to sustainable climate change.</td>
</tr>
<tr>
<td>2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finances (short-term, medium-term, long-term).</td>
<td>The company refers to the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines to conduct analysis of the company's potential risks and the possibility of risk occurrence, based on factors such as asset durability, potential risks, and the industrial sectors and regions in which it operates. , evaluate various short, medium and long-term risks (short-term: 1 to 3 years, medium-term: 1 to 3 years, long-term: 5 to 10 years) and opportunities, and publicly disclose the potential threats to the company's future operations in the annual sustainability report report. The company plans to expand the assessment aspect in the future, and evaluate risks and opportunities on a graded basis. Based on the "possible probability of occurrence" and "impact impact", a risk and opportunity matrix diagram is drawn for judgment. The results are expected to be divided into three categories: low, medium and high. Risk levels and define priorities of risks and opportunities. For risks classified as medium or high, list them as major risks and further develop preventive measures and improvement plans.
Climate change financial impact analysis (risk)
<table>
<tr><td>climate change risks</td><td>Impact time course</td><td>financial impact</td><td>response plan</td></tr>
<tr><td>typhoon</td><td>short term</td><td>Typhoons will cause problems such as operational disruptions, affecting employees' lives, and suppliers interrupting the supply of components. Associated recovery costs and product delivery delays will increase administrative costs and reduce sales.</td><td>Follow emergency response guidelines when affected by typhoons.</td></tr>
<tr><td>average temperature rise</td><td>long term</td><td>• Employees suffering from heat stroke or other health conditions can reduce work</td><td>• Continuously perform equipment maintenance and power consumption</td></tr>
</table>
</td>
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</table>

				efficiency and reduce sales. • Sustained high temperatures may increase demand for electricity, affect production efficiency, reduce sales and increase operating costs.	monitoring to maintain stable power consumption • Strengthen the education and training of personnel in handling emergency incidents caused by disasters.	
		Total greenhouse gas control and carbon tax and carbon fee	long term	According to the "Climate Change Response Act" proposed by the Environmental Protection Agency passed in 2023, a mechanism for levying a "carbon fee" will be established. It is expected to be levied in 2024 and implemented in phases. Therefore, the company may incur "carbon fees" in operating costs in the future.	• Set carbon reduction goals • At present, we purchase energy-saving products and promote energy-saving, and fully use environmentally friendly refrigerants. • Set a goal to reduce carbon emissions by at least 1% every year.	
		Customer behavior changes	long term	In response to the global trend of net-zero emissions and reduced environmental impact, customers are switching to lower-carbon raw materials and products that reduce environmental impact, or are requiring companies to provide products and services with more transparent environmental-related information. If existing products and services fail to meet the needs of the low-carbon market, sales may decrease and revenue may decrease, affecting the company's financial planning.	• Use more efficient modes of transportation. • Low-carbon production processes and products and services that reduce environmental impact. • Provide customized services to customers. • Replace old, energy-intensive equipment. • Actively seek talents for low-carbon transformation and train employees to enter the era of low-carbon transformation.	
		Increasing concerns and negative	long term	Goodwill risks related to climate change: In response to climate	Increase green manufacturing and green innovation to enhance	

feedback from stakeholders		change, products with high carbon emissions cannot meet the expectations of stakeholders, and they will face negative public opinion and reduce customer trust and satisfaction, which will affect corporate reputation, cause customer loss and reduce sales.	corporate green image.

Climate change financial impact analysis (opportunities)

climate change risks	Impact time course	financial impact	response plan
Efficient production management	long term	There are no strict requirements to control product packaging materials, resulting in increased packaging costs. There are fewer automated processes, resulting in higher labor costs.	• Control product packaging and reduce the use of packaging materials. • Increase automated processes.
Develop and/or increase low carbon goods and services	long term	Failure to develop and design low-energy products and improve manufacturing processes has resulted in increased product raw material costs and increased electricity bills.	• Develop green products and initiate the use of raw material recycling mechanisms, such as recycling and reusing plastic parts, castings and iron parts, to reduce costs and produce low-energy-consuming products. • Plan to purchase wastewater recycling equipment to reduce water resources and production costs.
ESG investment improves company market value and image	long term	investor willingness	• Committed to product development and designed in accordance with environmental protection standards, the product

				manufacturing process uses raw materials that are free of harmful substances and can be recycled and reused, reducing energy requirements in the process, and participating in social welfare to achieve sustainable operations and enhance corporate image. • Invest in ESG sustainability plans, establish a sustainable development committee for joint implementation, strengthen communication with stakeholders and strengthen company risk management contingency measures.	
3. Describe the financial impact of extreme climate events and transition actions.	For the Company's assessment of the potential financial impact of extreme climate and transition actions, please see the Climate Change Financial Impact Analysis (Risk) and Climate Change Financial Impact Analysis (Opportunity) tables in the preceding paragraph. Regarding the transformation action level, the Company actively plans to conduct GHG Protocol greenhouse gas inventories at global operating locations, and obtains verification reports from third-party verification units. It also plans energy conservation, carbon reduction, green electricity introduction and other projects to achieve low-carbon transformation goals.				
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	The Company follows the Task Force on Climate Related Financial Disclosures (TCFD) to identify climate-related risks and opportunities. The company's board of directors is the unit with the highest responsibility for climate risk management. It regularly reports the implementation and results of climate risk management to the board of directors through the sustainable development committee every year, and supervises the implementation of climate-related risk management. The Sustainability Committee is affiliated to the Board of Directors and assists the Board of Directors in reviewing the implementation of risk management. As a functional committee directly under the board of directors, the Sustainability Development Committee has a working group of the Sustainability Development Committee, whose members are composed of heads and representatives of various departments and business units. The Working Group of the Sustainability Committee conducts comprehensive assessment and analysis of various risks and opportunities including climate every year, develops response and adaptation strategies, and produces an enterprise risk management report to submit to the Sustainability Committee.				
5. If scenario analysis is used to assess	Currently, scenario analysis is not used to assess climate change risks. In the future, it will be developed and				

resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	considered based on the company's climate change impact.
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.	For the company’s transformation plan for climate-related risks, please see the preceding paragraph 3. Describing the financial impact of extreme climate events and transformation actions.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing is not currently used as a planning tool and will be developed and considered in the future based on the company's impact on climate change.
8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed.	The company has set a climate-related goal to reduce carbon emissions by at least 1% every year. In the future, depending on the company's impact on climate change, we will consider purchasing carbon offsets or renewable energy certificates (RECs) to accelerate carbon reduction results.
9. Greenhouse Gas Inventory, Verification, Reduction Targets, Strategies, and Specific Action Plans	Please refer to the table below for details on our greenhouse gas inventory and assurance status. For information regarding the Company’s reduction targets, strategies, and concrete action plans, please consult our 2025 Sustainability Report.

1-1 Company greenhouse gas inventory and confirmation status in the last two years

Basic information of the company	Minimum required disclosure under the Sustainable
☐ Capital of NT$10 billion or more, iron and steel industry, or cement industry ☐ Capital of NT$5 billion or more but less than NT$10 billion ☑ Capital of less than NT$5 billion	☑ Inventory for parent company only ☐ Inventory for all consolidated entities ☐ Assurance for parent company only ☐ Assurance for all consolidated entities

Scope 1	Total emissions (Metric tons CO2e)	Intensity (Metric tons CO2e / NT$ 1 million)	Assurance body	Description of assurance status
2024 Parent company	360.0364	0.0309	Afnor International	Comply with ISO14064-1:2018 confirmed
2025 Parent company	769.6730	0.0818	Afnor International	-
Scope 2	Total emissions (Metric tons CO2e)	Intensity (Metric tons CO2e / NT$ 1 million)	Assurance body	Description of assurance status
2024 Parent company	4,675.6787	0.4971	Afnor International	Comply with ISO14064-1:2018 confirmed
2025 Parent company	8,745.1641	0.9298	Afnor International	
Scope 3	Total emissions (Metric tons CO2e)	Intensity (Metric tons CO2e / NT$ 1 million)	Assurance body	Description of assurance status
2024 Parent company	9,065.9195	0.9639	Afnor International	Comply with ISO14064-1:2018 confirmed
2025 Parent company	393,640.2301	41.8544	Afnor International	-

In 2025, the greenhouse gas (GHG) inventory boundary was expanded to include the entire Jarllytec Group. Relevant disclosures are expected to be included in the 2025 Sustainability Report.
Verification of the 2025 GHG emissions data is scheduled to take place in May 2026.

2.3.7 Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary description	
1. Formulate policies and plans for integrity management (1) Does the company formulate an honest management policy approved by the board of directors and express the policy and practice of honest management in its regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the management policy? (2) Whether the company has established an assessment mechanism for the risk of dishonest behavior, regularly analyzes and evaluates the business activities with elevated risk of dishonest behavior within the business scope and formulates a plan for preventing dishonest behavior based on it and at least covers "listing and listing on the OTC". What are the preventive measures for the behaviors in Article 7, Paragraph 2 of the "Company Integrity Management Code"? (3) Has the company clearly defined operating procedures, behavior guidelines and punishment and appeal systems for violations in the plan for preventing dishonest behavior and has implemented them and regularly reviews and revises the plan before disclosure?	✓ ✓ ✓		(1)On May 7, 2014, the company passed the "Integrity Management Code" by the resolution of the board of directors and cooperated with the company's actual operations and the revision and update of laws and regulations. The latest revision of the "Integrity Management Code" was approved by the resolution of the board of directors on March 12, 2019. And it will be submitted to the shareholders' meeting on June 18, 2019 and the board of directors will report on the implementation of the company's integrity management on November 05, 2021. In addition, in accordance with the company's actual operation and the revision and update of regulations, it is advisable to promote the group personnel from time to time to abide by the above regulations. In 2025, the Company conducted internal and external training programs related to ethical corporate management, covering topics such as business integrity, corporate governance, accounting systems, and internal controls. The total annual attendance reached 11,905 person-times, with a total of 10,344 training hours, thereby strengthening employees' legal compliance awareness and solidifying corporate governance. (2)The company has anti-corruption clauses, the "Code of Professional Ethics" (the latest version is November 4, 2026) and the "Code of Ethics" (the latest version is June 18, 2019). Precautionary measures for the behaviors of Article 7, Paragraph 2 of the "Company Integrity Management Code"; irregularly publicize that the business activities of group personnel in the business scope should be managed in strict accordance with the regulations. (3)The company has established the "Code of Professional Ethics", the latest version is November 4, 2022. There are relevant regulations for preventing dishonest behavior, as well as behavior	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	**No**	Summary description	
			guidelines, punishment and complaint systems for violations and internal and external education and training. To promote the related integrity issues.	
2. Implement honest management (1) Does the company evaluate the integrity record of the counterparty and specify the terms of honesty in the contract signed with the counterparty? (2) Does the company set up a resolute unit for promoting corporate integrity management under the board of directors and report regularly (at least once a year) to the board of directors on its integrity management policy and plan for preventing dishonest behavior and supervise the implementation? (3) Does the company formulate policies to prevent conflicts of interest, provide appropriate channels for presentation and implement them? (4) Whether the company has established an effective accounting system and internal control system for the implementation of honest management and the internal audit unit has formulated relevant audit plans based on the assessment results of the risk of dishonest behavior and checked the plan for preventing dishonest behavior accordingly. Comply with the situation, or commission an accountant to perform the audit? (5) Does the company regularly hold internal and external education and training on integrity management?	✓ ✓ ✓ ✓ ✓	✓	(1) The company already has a relevant evaluation mechanism for its customers and suppliers. When entering a contract with it, the rights and obligations of both parties will be stipulated in it. (2) The Company's Group Human Resources Division is currently designated with the authority and responsibility to promote and execute corporate integrity management. To prevent conflicts of interest and provide appropriate representation channels, the "Code of Integrity Management" was formulated and approved by the Board of Directors on May 7, 2014. To align with the Company's actual operations and comply with regulatory requirements, amendments to the Code were approved by the Board of Directors on March 12, 2019, and subsequently reported to the Annual General Meeting (AGM) of shareholders on June 18, 2019. The execution status (such as the implementation of education training and grievance systems) is regularly reported to the Board of Directors annually, with the most recent report submitted during the Board meeting on January 30, 2026. In terms of the whistleblowing and grievance mechanism, the Company has established the "Complaints and Personal Rights Protection Operational Procedures," setting up dedicated hotlines and whistleblower mailboxes as grievance channels. Complaints can be filed through the phone line, the mailbox, or directed directly to the Group Human Resources Division, the Internal Audit Office, or the Finance Division. (3) The company has established the "Professional Code of Ethics". For matters related to conflicts of interest, employees can not only report to the supervisor of the directly subordinate department, but also can be assisted by members of the general manager's office to guide and integrate related matters.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Summary description	
			(4) The company has a full-time unit "Audit Office" and full-time personnel responsible for formulating internal audit plans, and internal auditors carry out inspections based on the audit plans. (5) The Company has incorporated guidelines on ethical corporate management into training materials for new hires, reinforcing compliance concepts during their onboarding phase. Furthermore, in 2025, the Company conducted internal and external training programs related to ethical corporate management, covering topics such as business integrity, corporate governance, accounting systems, and internal controls. The total annual attendance reached 11,905 person-times, with a total of 10,344 training hours, thereby raising employees' compliance awareness and solidifying corporate governance.	
3. Operation of the company whistleblowing system (1) Has the company formulated a specific whistleblowing and reward system, established a convenient reporting channel and assigned appropriate personnel in charge of managing the whistleblower? (2) Has the company established standard operating procedures for the investigation of reported matters, the follow-up measures to be taken after the investigation is completed and the relevant confidentiality mechanism? (3) Has the company taken measures to protect the whistleblower from being mistreated due to the whistleblower?	✓ ✓ ✓		(1)The company has established the "Complaint and Personal Rights Protection Operational Procedures" and has a complaint acceptance phone number and a complaint mailbox as a complaint channel. You can respond to complaints through the phone and mailbox or to the General Management Office, Audit Office or Finance Office. (2)The company has established "Complaint and Personal Rights Protection Operational Procedures", which are anonymous complaints. When receiving a complaint case, the complaint acceptor will immediately take reasonable preventive and protective measures to ensure the quality of the investigation and prevent the complainant from suffering. Unfair retaliation or treatment. (3)If customers, suppliers, contractors or other third parties with major external relations complain that our employees have committed corruption, accepted bribes, or offering bribes, they will file a case for investigation as soon as possible and it is forbidden to disclose the identity of the complainant to ensure their Personal safety is free from reprisals or threats.	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>4. Strengthen information disclosure
Does the company disclose the content of its integrity management code and promote its effectiveness on its website and public information observatory?</td><td>✓</td><td></td><td>The company has disclosed the "Integrity Management Code" on the company's website and the public information observatory. In addition, the company's website has disclosed relevant corporate culture, business policies and other information.</td><td>None</td></tr>
<tr><td colspan="5">5. If the company has its own integrity management code in accordance with the "Code of Integrity Management of Listed OTC Companies", please describe the differences between its operation and the established code:
On May 7, 2014, the company passed the "Integrity Management Code" by the resolution of the board of directors and on March 12, 2019, to cooperate with the company's actual operation and comply with laws and regulations, it was approved by the board of directors and revised on June 18, 2019. Report to shareholders meeting. From time to time, group personnel should strictly abide by the regulations and there is no major difference between the company's operation and the code of conduct.</td></tr>
<tr><td colspan="5">6. Other valuable information that helps to understand the company's integrity management operation: (such as the company's review and revision of its integrity management code.)
(1) On March 12, 2019, to cooperate with the company's actual operations and comply with laws and regulations, the company approved the revision of the "Integrity Management Code" by the board of directors and submitted it to the shareholders' meeting on June 18, 2019.
(2) The company's "Procedure Rules for the Board of Directors" stipulates a system of avoiding the interests of directors. When directors have an interest in themselves or the legal person they represent and may harm the interests of the company, they may state their opinions and answer inquiries. They shall not participate in the discussion and voting and shall abstain from the discussion and voting and shall not exercise their voting rights on behalf of other directors.
(3) The company has established the "Management Procedures for Handling Internal Material Information and Preventing Insider Transactions", which clearly stipulates those directors, managers and employee shall not disclose material internal information they know to others and shall not report material internal information of the company to others. The person inquires or collects undisclosed internal material information of the company that is not related to the personal position.</td></tr>
</table>

2.3.8 Other important information sufficient to enhance the understanding of the operation of corporate governance may be disclosed together

(1)Expose managers' participation in corporate governance-related training and training.

Title	Name	Date for attending continuing education	Hosted By	Course Title	Hours
CEO	Chang, Tai Yuan	09/09/2025	Securities & Futures Institute	ESG Evaluation Indicators and Practical Response Strategies	3
		09/09/2025	Securities & Futures Institute	Analysis and Case Studies of Breach of Trust and Special Breach of Trust Offences	3
CFO	Chen, Ying Syuan	10/30/2025~ 10/31/2025	Accounting Research And Development Foundation	Continuing Education Program for Accounting Executives of Issuers, Securities Firms, and Securities Exchanges	12
Corporate governance officer	Chung, Hsin Ru	11/20/2025~ 11/21/2025	Accounting Research And Development Foundation	Continuing Education Program for Accounting Executives of Issuers, Securities Firms, and Securities Exchanges	12

(2)The company passed the resolution of the board of directors on August 25, 2009 to formulate the "operational procedures for internal material information processing and prevention of insider trading" and in response to legal amendments and actual operational needs, the board of directors resolved on August 9, 2022 and December 29, 2022 By revising the relevant provisions, the company announced the operating procedures to all employees, managers and directors to comply with the relevant procedures and placed them in the company's intranet announcement area for all colleagues to follow and review at any time to avoid violations or occurrences Insider trading.

(3)The Company's "Risk Control Operational Procedures" were initially established by resolution of the Board of Directors on March 29, 2010. Subsequently, to align with corporate organizational shifts and practical operational requirements, amendments to relevant articles were approved by the Board of Directors on May 7, 2014. On November 11, 2025, the Board of Directors approved further amendments to the "Risk Control Operational Procedures" and renamed it the "Risk Management Policy."

Risk Management Policies and Procedures

To reinforce corporate governance and establish sound risk management operations, the revised Risk Management Policy was approved by the Board of Directors on November 11, 2025. This policy aims to build a robust risk management mechanism covering risk identification, measurement, monitoring, and control; structure a comprehensive risk management framework; foster a business model oriented toward appropriate risk management; achieve operational goals; and enhance shareholder value. To solidify the functions of operational risk management, the Company manages risks through systematic processes including risk identification, assessment, measurement, monitoring, and communication. This ensure a clear grasp of the scope of operational risks and allows the implementation of proper measures to guarantee that relevant risks are managed appropriately, thereby efficiently allocating limited resources to operational risk management tasks.

Scope of Risk Management

In managing the primary risks associated with various business operations—including marketing and markets, manufacturing and operations, human resource planning, new product development progress, and financial and accounting controls—the Company, in addition to existing systems and procedures, actively develops advanced and highly sensitive protocols and criteria for monitoring, assessing, and controlling risks. This balances safety with efficiency to establish a more economically beneficial business model, such as strengthening information system construction to enhance early-warning and monitoring capabilities.

The Company has established a dedicated risk management organization, where each responsible department drives the management of respective business risks:

Board of Directors: Establishes risk management policies, frameworks, and culture, and ensures the continuous effectiveness of risk management mechanisms.

Audit Committee: Composed entirely of Independent Directors; oversees the execution and operational status of risk management and monitors improvement progress.

Group Administration Division: Executes various insurance operations; establishes and maintains environmental, health, and safety (EHS) standards.

Group Human Resources Division: Allocates human resources and manages emergency labor contingencies.

Group Finance Division: Assesses financial risks; reviews legal and regulatory compliance; manages media relations, public relations, and external communications.

Group IT Division: Manages cybersecurity and maintains the normal and secure operations of all information systems.

R&D Department: Formulates contingency measures for the R&D operational environment; assesses risks in new product development; controls R&D schedules and milestones.

Sales Department: Gathers and establishes market intelligence; coordinates production and sales contingencies; builds and manages customer relationships; tracks and collects accounts receivable.

Manufacturing Department: Formulates emergency contingency measures against uncertain factors during production that may impact the Company’s normal operations.

Internal Audit Office: Regularly audits whether each department rigorously executes risk controls in accordance with the Company’s internal control systems and annual audit plans, and generates official audit reports based on actual findings.

The Company actively implements and drives its risk management mechanisms, reporting its operational status to the Board of Directors at least once a year. The most recent report was presented to the Board of Directors on January 30, 2026.

Key operational highlights include:

2025: Amended the Company's Risk Management Policy, which was approved by the Board of Directors.

2026: Reported the 2025 risk identification results across various business areas to the Board of Directors and proposed corresponding contingency measures.

(4)Directors’ Liability Insurance

Insured Parties	Insurance Provider	Policy Period	Date Reported to the Board
All Directors	China Trust Insurance Co., Ltd.	From: August 1, 2025 To: August 1, 2026	November 11, 2025

2.3.9 The implementation of the internal control system shall disclose the following matters

(1)Please refer to the Market Observation Post System (MOPS) at https://mops.twse.com.tw > Single Company > Corporate Governance > Corporate Rules > Internal Control > Internal Control Statement Disclosure. Enter the applicable year and company code 3548 to search for the Internal Control Statement disclosure.

(2)Those who entrust an accountant to review the internal control system should disclose the accountant's review report: None.

2.3.10Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of printing the annual report

(1)shareholders' meeting

Date	Meeting Note	Result	Implementation
06/19/2025	1. Acknowledgment of the 2024 Business Report and Annual Final Accounting ledgers and Statements.	The number of votes in favor accounted for 99.11% of the total voting rights of shareholders present, and this proposal was voted and passed as the original proposal.	Implemented in accordance with the resolution of this case.
	2. Acknowledged 2024 Earnings Distribution Proposal.	The number of votes in favor accounted for 99.18% of the total voting rights of shareholders present, and this proposal was voted and passed as the original proposal.	Set September 14, 2025 as the ex-dividend base date and October 9, 2025 as the release date. (A cash dividend of 2 per share and stock divident of 0.25 per share were distributed.)
	3. Discussion on the Proposed Amendments to Certain Provisions of Jarllytec's Articles of Incorporation.	The number of votes in favor accounted for 99.16% of the total voting rights of shareholders present, and this proposal was voted and passed as the original proposal.	The registration was approved by the Ministry of Economic Affairs (MOEA) on October 15, 2025.
	4. Discussion on the issuance of new shares through the capitalization of the Company's 2024 retained earnings.	The number of votes in favor accounted for 99.17% of the total voting rights of shareholders present, and this proposal was voted and passed as the original proposal.	The registration was approved by the Ministry of Economic Affairs (MOEA) on October 15, 2025.

(2)Board of Directors

Date	Proposal content and follow-up	SEC § 14-3	Resolutions
01/17/2025	1. Issuance of 2024 Year-End Bonuses for Jarllytec Managers		None
	2. 2024 Performance Evaluation of Jarllytec's Board of Directors		None
	3. Change of the Company's independent auditors for financial statements starting from the first quarter of 2025 to CPA Hung, Shih-Kang and CPA Chen, Pei-Chi.	V	None
	4.Evaluation of the Independence of Jarllytec's Certified Public Accountant	V	None
	5. Proposed amendments to the general principles of the Company's Policy on Pre-Approval of Non-Assurance Services.	V	None
	6. Jarllytec's Consolidated Budget for 2025	V	None
	7. Application for bank credit lines by Kunshan Jarlly Electronics Ltd. a 100% indirectly owned subsidiary of the Company.		None

Date	Proposal content and follow-up	SEC § 14-3	Resolutions
	Opinion of independent directors: None		
	Company's handling of the opinions of independent directors: None		
	Resolutions: All the directors who attended the meeting passed the proposal without objection after consultation by the chairman.		
03/07/2025	1. Discussion on the Allocation of 2024 Directors' and Employees' Remuneration		None
	2. Definition and scope of the Company's entry-level employees.		None
	3. Approval of Jarllytec's 2024 Individual and Consolidated Financial Statements	V	None
	4.Approval of Jarllytec's 2024 Internal Control System Statement	V	None
	5. Amendments to the "Payroll Cycle - Payroll Operations" of the Company's internal control system.	V	None
	6.Acknowledgment of Jarllytec's 2024 Business Report	V	None
	7. Proposal to Convene Jarllytec's 2025 Annual General Shareholders' Meeting		None
	8. Application for the renewal of bank credit lines by Jarlly Technology (Shanghai) Co., Ltd. a 100% indirectly owned subsidiary of the Company.		None
	Opinion of independent directors: None		
	Company's handling of the opinions of independent directors: None		
	Resolutions:All the directors who attended the meeting passed the proposal without objection after consultation by the chairman.		
05/09/2025	1. The company's consolidated financial statements for the first quarter of 2025.	V	None
	2. Discuss the company's 2024 earnings distribution plan.	V	None
	3. Discussion on the proposal for the issuance of new shares through the capitalization of 2024 retained earnings.	V	None
	4. Proposed addition to the agenda of the 2025 Annual General Shareholders' Meeting.		None
	5. Proposed amendments to partial articles of the Company's "Articles of Incorporation."		None
	6. Application for the renewal of the Company's bank credit lines.		None
	Opinion of independent directors: None		
	Company's handling of the opinions of independent directors: None		
	Resolutions:All the directors who attended the meeting passed the proposal without objection after consultation by the chairman.		
08/11/2025	1. Discussion on the Cash Distribution of 2024 Employee Remuneration for Jarllytec Managers	V	None
	2. Approval of Jarllytec's Consolidated Financial Statements for the Second Quarter of 2025	V	None
	3. Proposal to set the capital increase record date for shares converted from the Company's second domestic unsecured convertible bonds in the second quarter of 2025.	V	None
	4. Setting the record dates for the 2025 cash dividend payment, stock dividend distribution, and capital increase, alongside related matters.	V	None
	5. Proposed amendments to partial terms of the issuance and conversion regulations for the Company's second and third domestic unsecured convertible bonds.	V	None
	6. The Company's acquisition of machinery and equipment for business operations.	V	None
	7. The Company's 2024 Sustainability Report.		None
	8. Application for the Company's derivative financial instruments facility limits.		None
	9. Application for the renewal of bank credit lines by Jarlly Technology (Shanghai) Co., Ltd. a 100% indirectly owned subsidiary of the Company.		None

Date	Proposal content and follow-up	SEC § 14-3	Resolutions
	Opinion of independent directors: None		
	Company's handling of the opinions of independent directors: None		
	Resolutions:All the directors who attended the meeting passed the proposal without objection after consultation by the chairman.		
11/11/2025	1. The company's consolidated financial statements for the third quarter of 2025.	V	None
	2. It is planned to adopt the company's 2026 audit plan.	V	None
	3. Acquisition of right-of-use assets for real estate by Jarlly Technology (Shanghai) Co., Ltd. a 100% indirectly owned subsidiary of the Company.	V	None
	4. Proposed indirect investment of RMB 7.65 million in a mold manufacturing plant by Jarlly Technology (Shanghai) Co., Ltd. a 100% indirectly owned subsidiary of the Company.	V	None
	5. Amendments to partial articles of the Company's "Risk Management Policy."		None
	6.. The company’s bank financing line renewal case.		None
	Opinion of independent directors: None		
	Company's handling of the opinions of independent directors: None		
	Resolutions:All the directors who attended the meeting passed the proposal without objection after consultation by the chairman.		
01/30/2026	1. Issuance of 2025 Year-End Bonuses for Jarllytec Managers		None
	2. 2025 Performance Evaluation of Jarllytec’s Board of Directors		None
	3. Evaluation of the Independence of Jarllytec’s Certified Public Accountants	V	None
	4. Proposed Revision to the General Principles of Jarllytec’s Pre-Approval Policy for Non-Assurance Services	V	None
	5. Jarllytec’s Consolidated Budget for 2026	V	None
	6. Amendments to the "Payroll Cycle - Payroll Operations" of the Company's internal control system.	V	None
	Opinion of independent directors: None		
	Company's handling of the opinions of independent directors: None		
	Resolutions:All the directors who attended the meeting passed the proposal without objection after consultation by the chairman.		
03/11/2026	1. Discussion on the Allocation of 2025 Directors’ and Employees’ Remuneration		None
	2.Salary adjustments/proposals for the Company's entry-level employees for 2026.		None
	3. Approval of Jarllytec’s 2025 Individual and Consolidated Financial Statements	V	None
	4. Approval of Jarllytec’s 2025 Internal Control System Statement	V	None
	5. Acknowledgment of Jarllytec’s 2025 Business Report	V	None
	6. Loan of funds of RMB 10 million from Jarlly Technology (Shanghai) Co., Ltd. to Jarlly Precision Manufacturing (Zhejiang) Co., Ltd. both being 100% indirectly owned subsidiaries of the Company.	V	None
	7. Proposal to Convene Jarllytec’s 2026 Annual General Shareholders’ Meeting		None
	8. Renewal of Bank Financing Line Application by Jarlly Technology (Shanghai) Co., Ltd. a 100% Wholly-Owned Subsidiary		None
	Opinion of independent directors: None		
	Company's handling of the opinions of independent directors: None		
	Resolutions:All the directors who attended the meeting passed the proposal without objection after consultation by the chairman.		
05/06/2026	1. Approval of Jarllytec’s Consolidated Financial Statements for the First Quarter of 2026		None
	2.Discussion on the Allocation of Jarllytec’s 2025 Earnings		None

Date	Proposal content and follow-up	SEC § 14-3	Resolutions
	3. Amendments to partial terms of the Company's "2024 Restricted Stock Awards (RSAs) Issuance Regulations."	V	None
	4.Proposal to Add Agenda of Jarllytec's 2026 Annual General Shareholders' Meeting	V	None
	5.Jarllytec's Bank Financing Line Application	V	None
	Opinion of independent directors: None		
	Company's handling of the opinions of independent directors: None		
	Resolutions:All the directors who attended the meeting passed the proposal without objection after consultation by the chairman.		

In the most recent year and as of the publication date of the annual report, if the directors or supervisors have different opinions on the important resolutions passed by the board of directors, and there is a record or written statement, the main content: N/A

2.4 Information Regarding the Company's Audit Fee and Independence

Unit: NT$ thousand

Accounting Firm	Name of CPA	**Accountant audit period**	**Audit fee** (Note 1)	**Non-audit fee**	**Total**	**Remarks**
KPMG	Hung, Shih-Kang Chen, Pei-Chi	01/01/2025~ 12/31/2025	2,450	870	3,320	The project expenses of non-audit fee belong to profit-seeking enterprise income tax settlement declaration and verification visa, transfer pricing report, group master file report, employee salary checklist review

Note 1: Audit fees refer to the public fees paid by the company to the Certified Public Accountant for financial report verification, review, review and financial forecast review.

(1) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: N/A

(2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: N/A

2.5 Accountant Replacement Information:

(1) Information Relating to the Former CPA

<table>
<tr><td>Date of the Change</td><td colspan="4">12/27/2024</td></tr>
<tr><td>Reason for the Replacement and Explanation</td><td colspan="4">Accounting firm internal restructuring</td></tr>
<tr><td rowspan="3">Explain Whether the Appointor Terminates or CPA Refuse to Accept Appointment</td><td colspan="2">Contracting Parties
Condition</td><td>CPA</td><td>Appointor</td></tr>
<tr><td colspan="2">Appointment Terminated Automatically</td><td>N/A</td><td>N/A</td></tr>
<tr><td colspan="2">appointment rejected (Discontinued)</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Suggestions and Reasons for Issuing Audit Reports other than Unqualified Opinions in the Recent Two Years</td><td colspan="4">N/A</td></tr>
<tr><td rowspan="6">Different Opinions With the Issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting Principles or Practices</td></tr>
<tr><td></td><td colspan="2">Financial Report Disclosure</td></tr>
<tr><td></td><td colspan="2">Audit Scope or Process</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>No</td><td colspan="3">N/A</td></tr>
<tr><td colspan="4">Descriptions: Accounting firm internal restructuring</td></tr>
<tr><td>Other Disclosures (Disclosures Specified in Article 10.6.1.4~7 of the Standard)</td><td colspan="4">N/A</td></tr>
</table>

(2) Information Relating to the Succeeding CPA

Name of CPA Firm	KPMG
Name of CPA	Hung, Shih-Kang, Chen, Pei-Chi
Date of Reappointment	01/17/2025
Prior to Appointment, Accounting Treatments or Accounting Principles for Specific Transactions, and Possible Advisory Issues and Results for Financial Reports	N/A
The Written Opinion of the Different Opinions Between the Succeeding CPA and the Preceding CPA	N/A

(3) The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: ：N/A

2.6 Chairman, GM, and manager responsible for financial or accounting affairs of the company, who have worked in the firm of the certified public accountant or its affiliated company: None

2.7 Changes in Shareholding of Directors, Supervisors, and Managers whose Share Ratio Exceeds 10% during the most recent year until the publication of this annual report

2.7.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Please refer to the Market Observation Post System (MOPS) at https://mops.twse.com.tw] > Single Company > Equity Changes / Securities Issuance > Equity Transfer Data Query > Insider Shareholding Change Post-event Declaration Form, then enter the year-month and company code 3548 to search.

2.7.2 Information that the directors, supervisors, managers, and shareholders who hold more than 10% of the shares are related parties involved in the transfer of equity: None

2.7.3 Information that directors, supervisors, managers, and the counterparties of shareholders who hold more than 10% of the shares pledged are related persons: None

2.8 Relationship of the Top 10 Shareholders

April 18, 2026; Unit: Shares

Name (Note 1)	Holding shares		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees(Note3)		Note
	Shares	Ratio (Note 2)	Shares	Ratio (Note 2)	Shares	Ratio (Note 2)	Name	Relation	
Sunrise Investment Co., Ltd.	6,252,500	9.23%	0	0%	0	0%	None	None	None
Sunrise Investment Co., Ltd. Representatives: Liu, Kuang Hua	1,321,866	1.95%	911,150	1.34%	1,588,750	2.35%	Wu, Yi Chuan	spouse	None
Dellson Investment Co., Ltd.	3,960,600	5.85%	0	0%	0	0%	None	None	None
Dellson Investment Co., Ltd. Representative: Chang, Tai Yuan	732,075	1.08%	482,228	0.71%	3,960,600	5.85%	None	None	None
Young Win Assets Management CO., Ltd.	1,588,750	2.35%	0	0%	0	0%	None	None	None
Young Win Assets Management CO., Ltd. Representatives: Wu, Yi Chuan	911,150	1.34%	1,321,866	1.95%	0	0%	Liu, Kuang Hua	spouse	None
Liu, Kuang Hua	1,321,866	1.95%	911,150	1.34%	1,588,750	2.35%	Wu, Yi Chuan	spouse	None
Yong Li Xing Investment Co., Ltd.	1,127,500	1.66%	0	0%	0	0%	None	None	None
Yong Li Xing Investment Co., Ltd.Representative: Peng, Yi ling	191,793	0.28%	197,439	0.29%	1,127,500	1.66%	None	None	None
Ou Ruei Yun	1,099,250	1.62%	0	0%	0	0%	None	None	None
Wu, Yi Chuan	911,150	1.34%	1,321,866	1.95%	0	0%	Liu, Kuang Hua	spouse	None
Zhong Xian Cang	867,000	1.28%	0	0%	0	0%	None	None	None
Chang, Tai Yuan	732,075	1.08%	482,228	0.71%	3,960,600	5.85%	None	None	None
Young Xin Assets Management CO., Ltd	676,500	1.00%	0	0%	0	0%	None	None	None
Young Xin Assets Management CO., Ltd Liu Zhi Chen	16,573	0.02%	0	0%	0	0%	None	None	None

Note 1: The names of shareholders are listed separately (for legal person shareholders, the names of legal person shareholders and their representatives are listed separately).

Note 2: The calculation of shareholding ratio refers to the calculation of shareholding ratio in their own name, spouse, minor children or in the name of others.

Note 3: The shareholders listed above include legal persons and natural persons and the relationship between them is disclosed in accordance with the issuer's financial reporting standards.

2.9 The influence of the Company's operational performance, earnings per share and shareholders' return on investment caused by the bonus shares

December 31, 2025; Unit: thousand shares

Title (Note 1)	Holding		Investment of Directors, Supervisors		Comprehensive Investment	
	Shares	Ratio	Shares	Ratio	Shares	Ratio
Great Hinge Trading Ltd.	20	100%	-	-	20	100%
Smart Hinge Holdings Ltd.	39,704	100%	-	-	39,704	100%
Jarwin Investment Co., Ltd.	8,000	100%	-	-	8,000	100%
Jarllytec (Singapore) Pte. Ltd. (Note 2)	-	100%	-	-	-	100%
Jarllytec (Vietnam) Co., Ltd. (Note 2)	-	100%	-	-	-	100%
Royal Jarlly Holding Ltd.	39,704	100%	-	-	39,704	100%
Shanghai Jarlly (Note 2)	-	100%	-	-	-	100%
Fu-Qing Jarlly (Note 2)	-	100%	-	-	-	100%
Dong Guan Jarlly (Note 2)	-	100%	-	-	-	100%
Kunshan Jarlly (Note 2)	-	100%	-	-	-	100%
Jarlly Electronic Shanghai (Note 2)	-	100%	-	-	-	100%
Xiamen Jarlly (Note 2)	-	100%	-	-	-	100%
Chongqing Jarlly (Note 2)	-	100%	-	-	-	100%
Jarllytec (Thailand) Co., Ltd.	5,800	100%			5,800	100%
Jarlly Precision Manufacturing (Zhejiang) Co., Ltd. (Note 2,3)	-	100%	-	-	-	100%

Note 1: It is an investment made by the Company using the equity method.

Note 2: Fu-Qing Jarlly, Shanghai Jarlly, Dong Guan Jarlly, Kunshan Jarlly, Jarlly Electronic Shanghai, Xiamen Jarlly, Chongqing Jarlly, Jarllytec (Singapore) Pte. Ltd. ,Jarllytec (Vietnam) Co., Ltd. and ZheJiang Jarlly Precision Technology Co., Ltd. are all limited companies, therefore No shares issued.

Note 3: Zhejiang Jarlly Precision Technology Co., Ltd. changed its name to Jarlly Precision Manufacturing (Zhejiang) Co., Ltd. in June 2025.

3. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

April 18, 2026

Type of stock	Authorized Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common Stock	67,744,175 shares	52,255,825 shares	120,000,000 shares	OTC stock

(1) The formation of share capital

Unit: NT$ thousand; thousand shares

Date	Price	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Source of capital	Capital paid in by assets other than cash	Other
July 2004	10	100	1,000	100	1,000	Established NT1,000	none	Note 1
December 2004	15	12,000	120,000	12,000	120,000	Cash capital increase of NT 119,000	none	Note 2
November 2005	20	25,000	250,000	25,000	250,000	Cash capital increase of NT 130,000	none	Note 3
August 2006	10 70	35,000	350,000	33,800	338,000	Capital increase of NT 28,000 from surplus Cash capital increase of NT 60,000	none	Note 4 Note 5
August 2007	10	60,000	600,000	40,960	409,600	Capital increase of NT 71,600 from surplus	none	Note 6
March 2008	65	60,000	600,000	45,970	459,700	Cash capital increase of NT 50,100	none	Note 7
September 2008	10	60,000	600,000	48,768	487,685	Capital increase of NT 27,985 from surplus	none	Note 8
February 2009	10	60,000	600,000	48,291	482,905	Cancellation of treasury shares with a share capital of NT 4,780	none	Note 9
March 2009	10	60,000	600,000	48,527	485,266	$2,361 for the replacement of new shares by employee stock option certificates	none	Note 10
August 2009	10	60,000	600,000	49,982	499,824	Capital increase of NT 14,558 from surplus	none	Note 11
October 2009	10	60,000	600,000	50,059	500,590	Employee stock option certificates were exchanged for new shares of NT 766	none	Note 12
April 2010	10	60,000	600,000	50,312	503,119	NT 2,529 for the replacement of new shares by employee stock option certificates	none	Note 13
July 2010	10	60,000	600,000	50,353	503,528	Employee stock option certificates are exchanged for new shares of NT 409	none	Note 14
October 2010	10	60,000	600,000	50,373	503,726	Employee stock option certificates are exchanged for new shares of NT 198	none	Note 15
January 2011	10	60,000	600,000	50,547	505,472	Employee stock option certificates were exchanged for new shares of NT 1,746	none	Note 16
April 2011	10	60,000	600,000	50,551	505,514	NT 42for the replacement of new shares by employee stock option certificates	none	Note 17
October 2016	60	70,000	700,000	60,551	605,514	Cash capital increase of NT 100	none	Note 18
October 2018	10	70,000	700,000	60,121	601,214	Cancellation of treasury shares with a share capital of NT 4,300	none	Note 19
September 2023	10	120,000	1,200,000	60,123	601,228	NT 14 for the replacement of new shares by Convertible corporate bonds	none	Note 20

Date	Price	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Source of capital	Capital paid in by assets other than cash	Other
December 2023	10	120,000	1,200,000	64,815	618,153	NT 46,925 for the replacement of new shares by Convertible corporate bonds	none	Note 21
February 2024	10	120,000	1,200,000	66,091	660,914	NT 12,761 for the replacement of new shares by Convertible corporate bonds	none	Note 22
October 2025	10	120,000	1,200,000	67,744	677,442	Capital increase of NT16,523 from surplus, NT5 for the replacement of new shares by Convertible corporate bonds	none	Note 23

Note 1: The establishment registration was approved by the letter of Shuzhong Zi No. 09332366390 on July 07, 2004
Note 2: The change registration was approved by the letter of Shuzhong Zi No. 09431567730 on January 18, 2005
Note 3: The change registration was approved by the letter of Shuzhong Zi No. 09433238720 on November 28, 2005
Note 4: The change registration was approved by the letter of Shuzhong Zi No. 09532692440 on 2006.08.17
Note 5: The change registration was approved by the letter of Shuzhong Zi No. 09532800370 on 2006.09.06
Note 6: The change registration was approved by the letter of Shuzhong Zi No. 09632685250 on August 29, 2007
Note 7: The change registration was approved by the letter of Shuzhong Zi No. 09732059320 on April 14, 2008
Note 8: The change registration was approved by the letter of Shuzhong Zi No. 09733188570 on 2008.10.02
Note 9: The change registration was approved by the letter of Shuzhong Zi No. 09831746290 on February 20, 2009
Note 10: The change registration was approved by the letter of Shuzhong Zi No. 09832095670 on April 20, 2009
Note 11: The change registration was approved by the letter of 2009.8.26 by Shuzhong Zi No. 09832920600
Note 12: The change registration was approved by the letter of Shuzhong Zi No. 09801247630 issued on October 29, 2009
Note 13: The change registration was approved by the letter of 2010.4.20 by Shuzhong Zi No. 09901076760
Note 14: The change registration was approved by the letter of Shuzhong Zi No. 09901160480 on July 19, 2010
Note 15: The change registration was approved by the letter of Shuzhong Zi No. 09901236520 on October 21,2010
Note 16: The change registration was approved by the letter of Shuzhong Zi No. 10001012680 on January 19, 2011
Note 17: The change registration was approved by the letter of Shuzhong Zi No. 10001075820 on April 18, 2011
Note 18: The change registration was approved by the letter of Shuzhong Zi No. 10501257490 on 2016.11.03
Note 19: The change registration was approved by the letter of Shuzhong Zi No. 10701133080 on October 31, 2018
Note 20: The change registration was approved by the letter of Shuzhong Zi No. 11230168170 on September 6, 2023
Note 21: The change registration was approved by the letter of Shuzhong Zi No. 11230227110 on December 11, 2023
Note 22: The change registration was approved by the letter of Shuzhong Zi No. 11330026600 on February 27, 2024
Note 23: The change registration was approved by the letter of Shuzhong Zi No. 11430156260 on October 15, 2025

(2) General information about the reporting system: None.

3.1.2 List of major shareholders (revealing the names of the top ten shareholders, amount and proportion of shares held)

April 18, 2026; Unit: Shares

Name (Note 1)	Holding shares	Percentage
Sunrise Investment Co., Ltd.	6,252,500	9.23%
Dellson Investment Co., Ltd.	3,960,600	5.85%
Young Win Assets Management CO., Ltd.	1,588,750	2.35%
Liu, Kuang Hua	1,321,866	1.95%
Yong Lixing Investment Co., Ltd.	1,127,500	1.66%
Ou Ruei Yun	1,099,250	1.62%
Wu, Yi Chuan	911,150	1.34%
Zhong Xian Cang	867,000	1.28%
Chang, Tai Yuan	732,075	1.08%
Young Xin Assets Management CO., Ltd	676,500	1.00%

3.1.3 Company Dividend Policy and Implementation Status

(1) Company Dividend Policy

According to the provisions of Article 22-1 of Chapter VI of the Articles of Association:

If the Company had earnings at the end of the fiscal year, the Company shall first pay its tax, offset its losses in previous years and set aside a legal capital reserve at 10% of the earning left over, until the accumulated legal capital reserve has equaled the total capital of the Company. As the Company operation needs and provision of regulation shall set aside a special capital reserve, if there is surplus and unallocated surplus at the same period, it shall be allocated from 0% to 90% for shareholder dividends, by the board of directors to prepare a surplus distribution proposal submitted to the resolution of the shareholders' meeting.

When the Company sets aside special reserve according to the law, the insufficiency shall be allocated from the cumulative amount of net increase of investment properties at fair value in the preceding periods and the cumulative amount of net decrease in other equities in the preceding periods. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

In accordance with the provisions of Paragraph 5 of Article 240 of the Company Act, the company authorizes the board of directors to distribute dividends and bonuses with the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present. All or part of the statutory surplus reserve and capital reserve prescribed in Paragraph 1 of Article 1 shall be distributed in cash and reported to the shareholders' meeting.

The future dividend policy of the Company will be expanded with the Company's business development, taking into account the future capital expenditure budget and capital requirement of the Company, the interests of shareholders, balancing dividends and long-term financial planning of the Company, such as cash dividends or stock dividends, only the cash dividend issued each year shall not be less than 10% of the total dividend distributed in the current year.

(2) Circumstances of the proposed dividend distribution at the shareholders' meeting

The company's 2025 earnings distribution plan was approved by the board of directors on May 6, 2026, and submitted to the shareholders' meeting for resolution. The proposed distribution of dividends was as follows

Unit: NT$

Item		Amount	
		Subtotal	Sum
Beginning of period undistributed earnings			2,560,929,335
Add：	2025 Net profit after tax	150,739,695	
Minus：	2025 Measure on defined benefit plans	(311,000)	
Minus：	Designated legal reserve	(15,042,870)	
Distributable earnings			2,696,315,160
Distributed items：			
	Stock dividend to shareholders	0	
	Cash dividend to shareholders (per share NT$ 1)	(67,744,175)	
Accumulated undistributed earnings			2,628,570,985

3.1.4 The impact of the proposed free allotment of shares at the shareholders' meeting on the company's operating performance and earnings per share

The company did not distribute stock dividends for shareholders and employees at this shareholders' meeting, and did not disclose the financial forecast for 2025, and there is no need to disclose the estimated information for 2025. Therefore, the free allotment of shares has no impact on the company's operating performance and earnings per share.

3.1.5 Remuneration of employees, directors and supervisors

(1) The percentage and scope of remuneration for employees, directors and supervisors as stated in the company's articles of association

According to Article 22 of Chapter VI of the Articles of Association of the Company:

If there is profit at the end of each fiscal year, a ratio of no less than 2% of profit of the current year distributable as employees’ compensation (The allocated compensation for non-executive employees shall not be less than 20% of the total allocated employee compensation) and no higher than 2% as directors’ compensation shall be appropriated. However, the Company’s accumulated losses shall have been covered first.

The employees and non-executive employees mentioned above are paid to the stock or cash, including the eligible employees..

(2) The Basis for estimating the amount of remuneration of employees, supervisors, and directors, 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 period.

For the years ended December 31, 2025, t The estimated amounts of employee remuneration and director remuneration of the company in 2025 are 8,286 thousand yuan and 2,071 thousand yuan respectively. These amounts were calculated by using the Company’s pre tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses. Related information would be available at the Market Observation Post System website. The amounts, as stated in the financial statements are identical to those of the actual distributions for 2025. If there is a change after the release of the financial report in the next year, it will be treated as a change in accounting estimate, and the impact of the change will be recognized as profit or loss for the next year

(3) Remuneration distribution approved by the board of directors

A. Employee remuneration and director and supervisor remuneration amount distributed in cash or stock. If there is a discrepancy with the estimated amount in the year of recognition of expenses, the number of discrepancies, reasons and handling shall be disclosed

March 11, 2026, the board of directors resolved to approve the amount of employee remuneration and directors' remuneration to be distributed:

Unit: NT $

Proposed Allotment Amount	
Employee Compensation (Cash)	8,286,471
Director's Compensation	2,071,618

Discrepancy with the estimated amount in the year in which the expense is recognized, the number of discrepancies, reasons and handling shall be disclosed: No discrepancy.

B. The amount of employee compensation distributed in stock and its proportion to the net profit after tax and total employee compensation in the current period's individual or individual financial report

There is no amount of employee remuneration proposed to be distributed in stock by the board of directors, so it is not applicable.

(4) The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of shares distributed, amount and stock price), and the difference between the remuneration of employees, directors and supervisors recognized, and the difference and reasons shall be stated and handling

Unit: NT $

Item	2024	Difference
Employee cash bonus	52,212,614	None
Employee Stock Bonus	0	None
Director's Remuneration*1	13,053,153	None

Note: On June 21, 2018, the company established an audit committee to replace the supervisory authority.

3.1.6 The company bought back the company's shares: None

3.2 Issuance of Corporate Bonds

Type of corporate bonds	2nd domestic unsecured convertible corporate bonds	3rd domestic unsecured convertible corporate bonds
Issue (transaction) date	01/08/2024	02/25/2025
Face value	NT$100,000	NT$100,000
Place of issue and trading	Taiwan	Taiwan
Issue price	Issued at 113.20% of par value	Issued at 110.05% of par value
Issue amount	NT$905,604,010	NT$1,650,797,400
Coupon rate	The coupon rate is 0%	The coupon rate is 0%
Term	3 Years Expiration Date: 2027/01/08	5 Years Expiration Date: 2030/02/25
Guarantor	N/A	N/A
Trustee	Bank Sinpac Co., Ltd.	KGI Bank Co., Ltd.
Underwriter	SinoPac Securities Co., Ltd.	KGI Securities Co., Ltd
Attesting lawyer	Attorney Yawen Qiu, Far East Law Offices	Attorney Yawen Qiu, Far East Law Offices
Attesting CPA	None	None
Redemption method	Unless the bondholders are converted into ordinary shares of the Company in accordance with Article 10 of the Issuance and Conversion Regulations, or the Company may redeem them in advance in accordance with Article 18 of the Issuance and Conversion Regulations, or the Company may buy back and cancel them from the business office of a securities firm, When the convertible corporate bonds mature, the company will repay in cash in one lump sum according to the bond face value. Payments will be made within 5 business days (including the fifth business day) after the due date.	Unless the bondholders are converted into ordinary shares of the Company in accordance with Article 10 of the Issuance and Conversion Regulations, or the Company may redeem them in advance in accordance with Article 18 of the Issuance and Conversion Regulations, or the Company may buy back and cancel them from the business office of a securities firm, When the convertible corporate bonds mature, the company will repay in cash in one lump sum according to the bond face value. Payments will be made within 10 business days (including the tenth business day) after the due date.
Unredeemed balance	NT$799,900,000	NT$1,500,000,000
Conditions for redemption or early redemption	Refer to Issuance and Conversion Methods	Refer to Issuance and Conversion Methods
Restrictive covenants	None	None
Name of rating agency, date and result of rating	N/A	N/A

Type of corporate bonds		2nd domestic unsecured convertible corporate bonds	3rd domestic unsecured convertible corporate bonds
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	514 shares	None
	The issuance and conversion, exchange, or subscription rules	Refer to Issuance and Conversion Methods	Refer to Issuance and Conversion Methods
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.		The company issued the 2nd domestic convertible corporate bonds of $800,000,000. As of April 30, 2026, the outstanding balance was $799,900,000 and the latest conversion price was $186. It is assumed that the convertible corporate bond creditors will all convert the conversion price to $186 in the future. In the case of ordinary shares, it will be convertible into 4,300,000 ordinary shares of the company. The maximum dilution to the original shareholder's shareholding ratio is 5.97%. Interests are not yet materially affected.	The company issued the 3rd domestic convertible corporate bonds of $1,500,000,000. As of April 30, 2026, the outstanding balance was $1,500,000,000 and the latest conversion price was $162.8. It is assumed that the convertible corporate bond creditors will all convert the conversion price to $162.8 in the future. In the case of ordinary shares, it will be convertible into 9,213,000 ordinary shares of the company. The maximum dilution to the original shareholder's shareholding ratio is 11.97%. Interests are not yet materially affected.
Name of the custodian institution of the exchangeable underlyings		N/A	N/A

Information of convert corporate bonds

Types of corporate bonds		2nd domestic unsecured convertible corporate bonds		3rd domestic unsecured convertible corporate bonds	
Year		2025	As of April 30,2026	2025	As of April 30,2026
Market price of convertible corporate bonds	Maximum	117.00	108.50	119.50	113.50
	Minimum	97.60	100.00	99.65	99.95
	Average	106.72	102.77	109.31	105.10
Conversion price		NT$194.2 per share		NT$ 170 per share	
Issuance (transaction) date and conversion price at issuance		Issued on 01/08/2024 NT$199 per share		Issued on 02/25/2025 NT$170 per share	
Method for performance of conversion obligations		Perform conversion obligations by issuing new shares		Perform conversion obligations by issuing new shares	

3.3 **Issuance of Preferred stock: None**

3.4 **Issuance of Overseas Depository Receipts: None**

3.5 **Issuance of Employee Stock Options:**

At the Annual General Meeting of Shareholders held on June 18, 2024, the issuance of 500,000 new restricted shares for employees was approved. This issuance was approved by the Financial Supervisory Commission on October 8, 2024, and declared effective. As of April 30, 2026, the shares have not yet been issued.

3.6 **Issuance of Employee Restricted Stock: None**

3.7 **Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of other companies : None**

3.8 **Implementation of Capital Utilization Plan :**

On January 8, 2024, the Company issued its second domestic unsecured convertible bonds, totaling 8,000 units with a face value of NT$100,000 each. The bonds were publicly underwritten through a competitive bidding auction. The issuance period is three years, with a zero coupon rate, and issued at 113.20% of the face value. The actual total amount raised was NT$905,604,010.

On February 25, 2025, the Company issued its third domestic unsecured convertible bonds, totaling 15,000 units with a face value of NT$100,000 each. The bonds were publicly underwritten through a competitive bidding auction. The issuance period is five years, with a zero coupon rate, and issued at 110.05% of the face value. The actual total amount raised was NT$1,650,797,400.

For details regarding the above plans and their execution, please refer to the Market Observation Post System (MOPS) at https://mops.twse.com.tw > Single Company > Shareholding Changes/Securities Issuance > Fundraising > Fundraising Plan Execution Zone, and enter the company code 3548 for inquiry.

4. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

(1) The company’s main business activities include the research and development, design, production, assembly, testing, and sales of stamped parts, hinge components, and metal injection molding (MIM) products.

(2) Proportion of business

Unit: NT$ thousand

Product	2024		2025	
	Amount	**%**	**Amount**	**%**
Hinge	9,280,084	96.89	8,796,124	93.52
Optical fiber connector	298,086	3.11	609,309	6.48
Total	9,578,170	100.00	9,405,433	100.00

(3) The company's current products and services

A. Hinge: Laptop/LCD Monitor/ AIO /LCD TV/Smartphone/Automotive Equipment

B. Optical fiber connector

(4) New Product Development Plans for 2025

Focusing on the strategic technology deployment of high-end hinges for flexible displays (Foldable) and wearable devices (AR).

Flexible Display Applications: Encompassing "waterdrop-style" folding and "rotational folding" architectures, with a dedicated R&D focus on minimizing screen creasing and reducing mechanism thickness.

Automation and Multi-tasking: "Auto-closing" and "dual-rigid-screen" structures demonstrate a clear evolutionary trajectory toward a more intuitive and durable user experience.

Precision Miniaturization: Hinges for AR/XR glasses and ultra-thin laptops demand exceptionally stringent component tolerances and high-strength materials, such as Metal Injection Molding (MIM).

4.1.2 Industry overview

(1) Industry status and development:

The company mainly focuses on the research and development, production and sales of various hub components, accounting for approximately 94% of the company's revenue. Among them, folding mobile phones and liquid crystal displays (LCD Monitor and AIO) account for the highest proportion. Therefore, the company's industrial development is closely related to folding The mobile phone and LCD industries are inseparable; in addition, the connectors produced by our company are used in optical signal transmission and are optical fiber connectors, which are classified as optical passive components in the optoelectronic industry. The following analysis is made on the current industry status of LCD monitors and notebook computers, foldable smartphones, and optical fiber connectors:

A. Hinge

i. Liquid crystal display (LCD Monitor and AIO)

Looking ahead to 2026, the LCD monitor and All-in-One PC (“AIO”) industries are expected to be characterized by modest growth in monitor shipments and relatively pressured AIO demand. According to research firm Counterpoint Research, global monitor shipments in 2026 are projected to grow by only approximately 2%, indicating that the monitor market is expected to maintain low single-digit growth, supported by corporate replacement demand and existing commercial demand.

On the other hand, following global PC shipments of more than 270 million units in 2025, representing year-on-year growth of 9.1%, the PC industry is expected to enter a correction phase in 2026. In February 2026, Gartner projected that global PC shipments would decline by 10.4% year-on-year, while IDC forecast a decrease of 11.3%. Omdia further estimated that combined global shipments of desktops, notebooks, and workstations in 2026 would decrease by 12% year-on-year to 245 million units, with desktop PC shipments declining by 10% year-on-year to 53.2 million units.

Overall, shipment momentum in the LCD monitor and AIO industries is expected to slow in 2026 compared with 2025. Monitor demand is expected to remain relatively stable, while AIO demand is expected to become more conservative in line with the correction in the desktop PC market.

ii. Laptop

According to TrendForce’s latest notebook PC industry survey, recent signs indicate a further and more pronounced weakening in global notebook PC shipments. In light of the dual impact of deteriorating end-market consumption momentum and persistently rising supply chain costs, TrendForce has officially revised its full-year 2026 notebook PC shipment forecast downward from a year-on-year decline of 9.2% to a decline of 14.8%, reflecting the industry’s entry into a deeper adjustment phase.

From the demand perspective, the recovery momentum in the consumer market has fallen short of expectations. Weak demand is attributable not only to an unfavorable macroeconomic environment, but also to price factors that have dampened consumers’ willingness to purchase. As prices of key components continue to rise, notebook PC brands, in order to maintain their existing gross margin structure, are expected to gradually pass on higher costs to end-market prices. Further price increases, potentially a second round or even multiple rounds, may occur over the coming quarters. As the upward trend in selling prices continues, consumers are becoming more conservative in their purchasing decisions, with wait-and-see sentiment increasing, which is expected to further suppress actual shipment momentum.

The supply side is also under pressure. In addition to tight memory supply, which has pushed up overall costs, adjustments in CPU pricing and changes in supply schedules have also led to a marked deterioration in the cost structure of finished systems. For notebook PC brands, under the premise of maintaining existing profitability levels, increases in end-market prices have become difficult to avoid. However, such price increases are also expected to suppress consumers’ willingness to purchase, thereby creating a negative cycle between demand and pricing.

In addition, the rapid expansion of demand for AI computing is reshaping the allocation of semiconductor resources. Advanced process and packaging capacities are being prioritized for high-performance computing products, thereby crowding out certain mainstream and entry-level processors. This structural shift not only affects costs, but also reduces supply stability, increasing uncertainty for brands in product planning and shipment scheduling.

In 2026, the global notebook PC market is expected to face heightened structural pressure, with differentiation among brands becoming more apparent. Leading brands are expected to maintain relative stability in resource access and cost control, supported by scale advantages and long-term supply chain partnerships. By contrast, small and medium-sized brands are expected to face significantly greater pressure, as they lack bargaining power in procurement costs and are more vulnerable to component shortages and delivery schedule fluctuations, which may in turn affect their shipment performance.

Overall, the global notebook PC industry is currently facing three major challenges: weak demand, rising costs, and supply chain restructuring. TrendForce believes that, in the absence of effective relief from pricing pressure and clear recovery momentum in end-market demand, the global notebook PC market will remain under pressure in 2026, and further downward revisions to shipment forecasts in the near term cannot be ruled out.

iii. 3C Electronic Product (Foldable Smartphone)

Looking ahead to 2026, the foldable smartphone market is expected to sustain its growth momentum and gradually evolve from a high-end niche segment toward broader scale development. According to IDC’s forecast released in December 2025, global foldable smartphone shipments were approximately 20.6 million units in 2025 and are expected to increase by 30% year-on-year in 2026. Based on this forecast, global shipments in 2026 are estimated to reach approximately 26.78 million units. In addition, Counterpoint Research forecast in March 2026 that global foldable smartphone shipments would grow by 20.2% year-on-year in 2026. This indicates that major research institutions generally expect the industry to maintain double-digit growth in 2026, driven by new product launches and expanded investment by brands, with the market scale further expanding compared with previous periods.

From a regional market perspective, China remains one of the most important growth drivers for foldable smartphones. IDC indicated that cumulative foldable smartphone shipments in China reached 7.62 million units in the first three quarters of 2025, representing year-on-year growth of 14.3%, with full-year shipments estimated to approach 10 million units. This reflects a relatively solid demand foundation in the Chinese market, supported by the introduction of new products, brand deployment, and increasing consumer acceptance. Based on IDC’s estimate of 20.6 million units in global foldable smartphone shipments in 2025, China already accounted for nearly half of the global market, giving it a key influence on overall market scale, brand competition, and supply chain allocation. China is therefore expected to remain a core market driving global foldable smartphone shipment growth in 2026.

In addition, another important market development in 2026 is the expected entry of a major well-known U.S. brand into the foldable smartphone market. Counterpoint Research noted that the brand’s entry will represent an important turning point for the foldable smartphone market in 2026 and estimated that it may capture approximately 28% market share in the initial stage. TrendForce also expects Apple's first foldable product to be launched as early as the second half of 2026, which may help increase the global penetration rate of foldable smartphones from 1.6% in 2025 to over 3% by 2027.

With the participation of international brands in the competitive landscape, end-market awareness and acceptance of foldable products are expected to improve further. This is also expected to drive the component supply chain toward enhanced mass production capabilities, improved yields, and cost optimization, thereby providing positive support for demand for foldable smartphone-related shafts, hinges, and precision mechanical components.

B. Optical fiber connector

Looking ahead to 2026, the fiber optic connector industry is expected to maintain steady growth, mainly benefiting from the expansion of AI data centers, upgrades in data center interconnect ("DCI") infrastructure, and the continued development of telecommunications networks toward higher-speed and higher-density fiber deployment.

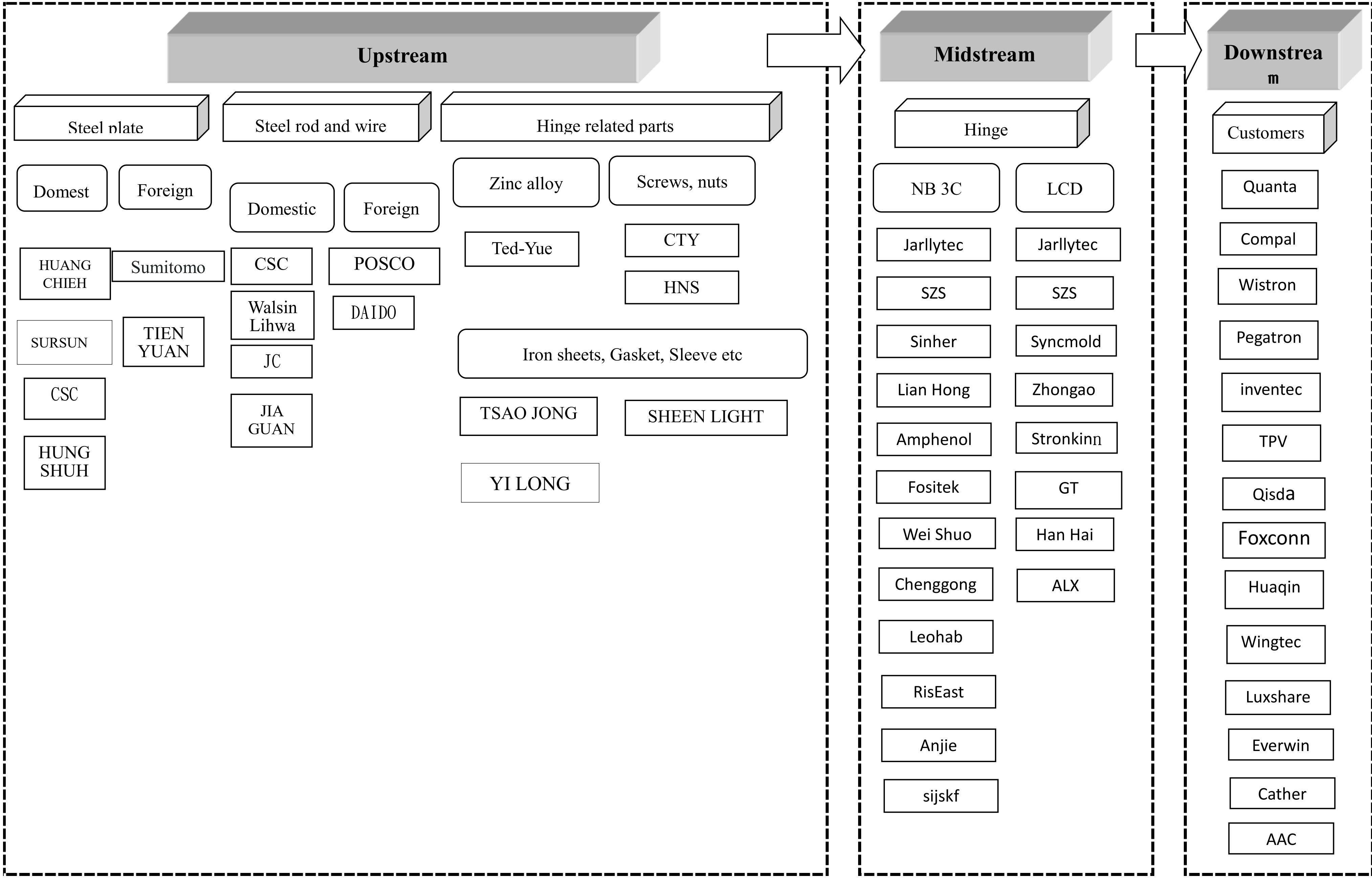
According to publicly available information from Grand View Research, the global fiber optic connector market was valued at US$5.56 billion in 2024 and is expected to increase to US$9.93 billion by 2033, representing a compound annual growth rate ("CAGR") of 6.6% from 2025 to 2033. Among applications, the telecommunications segment was valued at US$2.28 billion in 2024 and is expected to reach US$3.21 billion by 2030, indicating that upgrades to telecommunications infrastructure remain an important source of support for the industry.

In terms of product structure, demand for high-density connectivity continues to increase. Grand View Research estimates that the MTP/MPO connector market will record a CAGR of 7.8% from 2024 to 2030, higher than the overall market average, while LC connectors remain the largest product category.

In addition, according to a public forecast released by Dell'Oro Group in February 2026, the global optical transport equipment market is expected to grow by 10% in 2026, with revenue growth related to data center interconnect expected to outperform the overall market. Meanwhile, global data center capital expenditure is expected to approach US$1 trillion in 2026, reflecting that the continued expansion of AI computing infrastructure will drive sustained demand for high-bandwidth, low-loss, and high-density fiber optic connectors. Accordingly, the industry outlook remains positive.

(2) Upstream, Mid-stream and Downstream

The company's main product hinge, through the mechanical structure design, assembles many mechanical components into a finished hinge , and meets the inspection standards such as torque, hole position and durability required by customers. As far as this industry is concerned, the relevant hinge parts manufacturers (such as: male and female shafts, mandrels, castings, iron sheets, gaskets, screws, nuts, sleeves, metal powder injection) are upstream; the company is responsible for working with downstream customers. Collaborative development of structural design and assembly of hinge products belong to the midstream of the industry, and downstream is the manufacture of notebook computers, LCD monitors, 3C and other related system manufacturers. The upper, middle and downstream structures of the hinge industry are shown below:


Upstream
Steel plate
Domest
Foreign
HUANG CHIEH
Sumitomo
SURSUN
TIEN YUAN
CSC
HUNG SHUH
Steel rod and wire
Domestic
Foreign
CSC
POSCO
Walsin Lihwa
DAIDO
JC
JIA GUAN
Hinge related parts
Zinc alloy
Screws, nuts
Ted-Yue
CTY
HNS
Iron sheets, Gasket, Sleeve etc
TSAO JONG
SHEEN LIGHT
YI LONG
Midstream
Hinge
NB 3C
LCD
Jarllytec
Jarllytec
SZS
SZS
Sinher
Syncmold
Lian Hong
Zhongao
Amphenol
Stronkinn
Fositek
GT
Wei Shuo
Han Hai
Chenggong
ALX
Leohab
RisEast
Anjie
sijskf
Downstrea m
Customers
Quanta
Compal
Wistron
Pegatron
inventec
TPV
Qisda
Foxconn
Huaqin
Wingtec
Luxshare
Everwin
Cather
AAC

(3) Product development trends and competition

A. Hinge

i. Liquid crystal display (LCD Monitor and AIO)

Looking ahead to 2026, overall demand in the LCD monitor and All-in-One PC ("AIO") markets is expected to remain broadly neutral, with replacement demand and commercial procurement continuing to serve as the primary sources of support for the industry. TrendForce noted that global monitor shipments declined to 125 million units in 2023 before recovering to approximately 128 million units in 2024, indicating that although the overall market has stabilized from its trough, it remains a mature market.

For AIO products, publicly available research data generally analyzes the segment together with desktop PCs. According to Omdia, global desktop PC shipments, including workstations, reached 59 million units in 2025, representing year-on-year growth of 14.4%. However, Counterpoint Research forecasts that global PC shipments will decline by 5% year-on-year to 262 million units in 2026, reflecting that PC demand, to which AIO belongs, will continue to face certain correction pressure in 2026.

In terms of the industry's competitive landscape, the AIO and commercial monitor markets remain dominated by a limited number of international brands. Gartner data shows that global PC shipments reached 270.2 million units in 2025, with Lenovo accounting for 27.2% of the market, HP for 21.3%, and Dell for 15.3%. The combined market share of the top three brands exceeded 60%. In the monitor market, TrendForce indicated that shipments of the three major commercial brands, Dell, HP, and Lenovo, declined by 20.4%, 20.7%, and 21.4%, respectively, in 2023, reflecting the relatively high correlation between commercial monitor demand and corporate capital expenditure, economic cycles, and project procurement schedules. Overall, competition in the LCD monitor and AIO markets remains centered on brand scale, enterprise customer base, supply chain management, and cost control capabilities.

ii. Laptop

Looking ahead to 2026, the notebook PC market is expected to remain affected by demand correction and cost pressures, with overall shipment performance likely to slow compared with 2025. Omdia indicated that global notebook PC shipments, including mobile workstations, reached approximately 219.7 million units in 2025, representing year-on-year growth of 7.5%. However, entering 2026, overall market momentum has weakened due to rising memory and storage costs.

In March 2026, TrendForce further revised downward its forecast for global notebook PC shipments in 2026 to a year-on-year decline of 14.8%, indicating that brand vendors remain cautious regarding end-market demand and their ability to pass on higher costs.

In terms of the industry's competitive landscape, the global PC market remains dominated by a limited number of international brands. Omdia data shows that global PC shipments reached 278.7 million units in 2025, with notebook PCs remaining the largest product category. Gartner further forecasts that AI PC shipments will reach 143 million units in 2026, accounting for approximately 55% of the overall PC market. This reflects that brand competition is gradually shifting from shipment scale alone toward product mix, supply chain management, and deployment in higher-end models.

For the notebook PC supply chain, future competition is expected to place greater emphasis on delivery schedules, cost control, and quality stability. From the perspective of the bearing and hinge component supply chain, although overall notebook PC shipments may decline in 2026, the trend toward thinner and lighter notebook designs, higher opening-and-closing durability, and mid- to high-end product development remains unchanged. Brand vendors are therefore expected to continue requiring high reliability and precision in structural components.

Accordingly, the competitive focus for related component suppliers will center on product quality, mass production stability, and cost control capabilities, rather than being determined solely by changes in total shipment volume.

iii. 3C Electronic Product (Folding Smartphones)

Looking ahead to 2026, the foldable smartphone industry is expected to maintain its growth trajectory, gradually evolving from a niche market previously centered on brands' demonstration of innovation capabilities toward scale expansion and the early stage of mainstream adoption. IDC indicated in December 2025 that global foldable smartphone shipments were approximately 20.6 million units in 2025, representing year-on-year growth of 10%, and are expected to increase by a further 30% year-on-year in 2026. Based on this forecast, global shipments in 2026 are estimated to reach approximately 26.78 million units, with a compound annual growth rate of approximately 17% from 2025 to 2029, significantly higher than the growth rate of the overall smartphone market.

Overall, amid slowing growth in the mainstream smartphone market, foldable smartphones remain one of the few high-end product categories with double-digit growth potential.

In terms of industry development trends, the competitive focus of foldable smartphones has gradually shifted from early-stage innovation in form factor to thin-and-light design, durability, crease control, structural design, and mass production yield.

TrendForce noted that foldable smartphones have evolved from multi-component hinge assembly toward integrated structural design. Technological breakthroughs in materials, structure, and thickness have enabled devices to become thinner and lighter. Driven by market expectations that Apple will launch its first foldable product in the second half of 2026, the global penetration rate of foldable smartphones is expected to increase from 1.6% in 2025 to over 3% by 2027. In addition, the global foldable smartphone hinge market is estimated to reach US$1.2 billion in 2025, with hinges accounting for approximately 5% to 8% of the bill of materials ("BOM") cost per device, indicating the increasing importance of key structural components in the value chain of the entire device.

In terms of the competitive landscape, Samsung and Huawei remain the two core brands in the global foldable smartphone market. However, market concentration has declined compared with previous periods, while other brands have shown clear momentum in catching up. According to TrendForce estimates, Samsung's global foldable smartphone market share is expected to decline from 45.2% in 2024 to 35.4% in 2025, while Huawei is expected to capture a 34.3% market share, supported by its strength in the Chinese market, significantly narrowing the gap between the two brands. Meanwhile, Honor, Motorola, and Xiaomi are estimated to account for 9.1%, 7.6%, and 5.1% of the market in 2025, respectively, while other brands are expected to account for a combined 8.5%. This indicates that the foldable smartphone market has gradually shifted from being dominated by a small number of brands in its early stage toward a more diversified competitive landscape with multiple brands competing for market share.

In China, the market remains one of the most important regional markets for global foldable smartphone shipments. IDC indicated that foldable smartphone shipments in China reached 2.63 million units in the third quarter of 2025, representing year-on-year growth of 17.8%, while cumulative shipments in the first three quarters reached 7.62 million units, up 14.3% year-on-year. Full-year shipments are estimated to approach 10 million units. Compared with IDC’s estimate of 20.6 million units in global foldable smartphone shipments in 2025, China already accounts for nearly half of global shipments, indicating that China is not only a major sales market, but also a core battleground for new product introductions, product iteration, and brand deployment. In recent years, Chinese brands have continued to advance various product roadmaps, including book-style foldables, flip-style foldables, and tri-fold devices, exerting significant influence on global technological evolution and the expansion of price segments.

Looking at the competitive environment in 2026, the expected entry of Apple, a major U.S. brand, into the foldable smartphone market will become an important variable driving intensified industry competition. Counterpoint Research forecast in March 2026 that the global foldable smartphone market would grow by 20% in 2026, and that Apple may capture approximately 28% market share in the initial stage, approaching Samsung’s leading position. TrendForce also noted that Apple’s entry represents the foldable smartphone market’s transition from the technology validation stage toward the early stage of mainstream adoption. Going forward, the core of competition will no longer be limited to product form factor and specification innovation, but will further extend to ecosystem integration, cost control, mass production capabilities, and supply chain integration efficiency.

Overall, supported by demand in China, continued investment by major brands, and the anticipated entry of a major U.S. brand, the foldable smartphone market in 2026 is expected to see simultaneous improvement in both market scale and competitive activity. Related precision mechanical components and component supply chains are also expected to benefit from a new round of product volume ramp-up and specification upgrades.

B. Optical fiber connector

Fiber optic connectors are used to connect optical fibers with ports on optical transmission equipment. Their downstream applications are mainly in data centers, wireless base station access, and fiber-to-the-x (“FTTx”) networks. Similar to other optical components, miniaturization and high precision are the key directions for the future development of connectors. With the large-scale deployment of 5G base stations, accelerated capital expenditure in a new round of wireless base station construction, the upgrade of data centers to 40G/100G, and the transition of hyperscale data centers to 400G and 800G, demand for fiber optic connector applications is expected to increase further.

Among fiber optic connectors, MPO/MTP connectors are multi-fiber, multi-channel, high-density fiber optic connectors capable of connecting up to two rows of 24 optical fibers simultaneously. As network data transmission rates continue to increase, traditional fiber optic connectors are becoming increasingly insufficient to meet high-speed network standards in terms of fiber count and miniaturization. According to IEC international standards, high-density MPO/MTP connectors have become the standard interface for 40G and 100G network transmission.

In recent years, with the rise of AI computing, large cloud service providers have actively deployed clusters of AI-dedicated server cabinets, resulting in a significant increase in demand for high-speed optical communication transmission. Accordingly, the market has shown a clear growth trend in demand for next-generation MPO connectors and new ultra-precision fiber optic connectors used in server switches.

4.1.3 Technology and R&D Overview

(1) R&D expenses invested in the last five years and up to the date of publication of the annual report

Unit: NT$ thousand

	2021	2022	2023	2024	2025	As of March 31, 2026
Research and Development Fees	279,822	220,943	223,795	268,055	246,726	56,471
Operating income	7,446,666	7,020,608	8,220,663	9,578,170	9,405,433	1,693,588
R&D expenses to revenue ratio	3.76%	3.15%	2.72%	2.80%	2.62%	3.33%

(2) Developed technologies or products

A. One-line pivot structure
B. Shrapnel hinge structure
C. Wrapped hinge structure
D. Double- hinge 360-degree rotating structure
E. Automatic drop structure
F. Automatic pop-up structure
G. Switch light and switch heavy structure
H. Four-stage torsion shaft
I. The notebook computer hinge of the automatic drop type with light switch and heavy switch
J. Ultra-thin laptop hinge
K. Four-link structure
L. Lifting structure
M. Photo frame structure
N. Double hard screen seamless folding hinge structure
O. Flexible screen horseshoe-shaped inner folding hinge structure
P. Flexible screen drop-shaped inner folding hinge structure
Q. External folding hinge structure of flexible screen
R. Webcam hub structure
S. Wireless bluetooth earphone box hub structure
T. VR/XR hub structure
U. Flexible screen hub high-efficiency production technology
V. Tablet computer leather case hub production technology

4.1.4 Long- and short-term business development plans

Jarlly has been focusing on the development of its own business. In response to industry development trends and changes in domestic and foreign business environments, it adjusts the company's constitution and enhances overall competitiveness through various long-term and short-term plans. The company's long-term and short-term plans are explained as follows:

(1) Short-term plans

A. Short-term market strategy

i. Adjust product mix and strive for niche products for maximum profit.
ii. Expand new customers and increase the market share of the hinge.
iii. Accelerate and enhance customer satisfaction through the operation of the organization.

B. Short-term business strategy

i. Continue to integrate internal and external resources of the company and establish strategic partnerships with suppliers to improve vertical integration capabilities.
ii. Improve the self-made rate of components, reduce the ratio of outsourcing and the cost of raw materials.
iii. Continue to introduce automated production equipment to improve production efficiency and product quality stability.
iv. Assist and coach third-party manufacturers to improve the quality of their products.

C. Short-term R&D strategy

i. Improvement and control of the existing species structure to enhance the efficiency of product production.
ii. Strengthen the verification and experiment of the existing structure to improve the quality of the product and reduce the defective rate of the product.
iii. Implement the simplified design experiment of the existing product structure, reduce the cost of the product structure and increase the competitiveness of the product.
iv. Become a customer's R&D partner and shorten the product development schedule to meet the customer's product development and schedule requirements.

(2) Long-term plans

A. Long-term market strategy

i. Develop OEM upstream customer communication channels and grasp business opportunities.
ii. Actively contact new customers, increase cross-category products and integrate customer needs. Accelerate and enhance customer satisfaction through the operation of the organization.

B. Long -term business strategy

i. Seek strategic alliance partners.
ii. Increase the added value of existing products.
iii. Create the best interests of employees and shareholders to introduce automated production equipment to improve production efficiency and product quality stability.

C. Long-term R&D strategy

i. Purchase precision processing machines to increase the processing capacity of precision parts.
ii. Cooperate with brand customers to form R&D partners to fully grasp the R&D orientation of new models and effectively invest R&D resources.
iii. Recruit outstanding R&D talents, strengthen the education and training of R&D personnel and strengthen the ability of the R&D team.
iv. According to market trends, develop new structural hinges and apply for patent

rights to protect intellectual property rights.

v. Organize an automation R&D team to match the development schedule of new models, so that products can be imported into automatic production at an early stage and increase the competitiveness of products.

4.2 **Market and Sales Overview**

4.2.1 Market Analysis

(1) The company's current main products (services) sales (provided) areas

Unit: NT$ thousand

	2024		2025	
	Amount	**%**	**Amount**	**%**
China	9,063,289	94.62	8,409,381	89.41
USA	115,179	1.20	131,711	1.40
Thailand	167,832	1.75	464,270	4.94
Taiwan	49,707	0.52	62,945	0.67
Vietnam	154,853	1.62	301,619	3.21
Others	27,310	0.29	35,507	0.37
Total	9,578,170	100.00	9,405,433	100.00

(2) Market share

According to the statistical data of the "Manufacturing Investment and Operation Survey Report for the Fourth Quarter of 2025" published by the Ministry of Economic Affairs, the overall industry turnover of China's electronic components industry in 2025 will be 9,495.5 billion. If the company and its subsidiaries are According to the company's consolidated revenue of 9.405 billion in the financial statements reviewed by accountants in 2025, the market share of the company and its subsidiaries in China's electronic components industry is 0.10%, which shows that the company and its subsidiaries have a leading position in China's electronic components industry. The company has a certain competitive position in the component industry and market. In the future, it will uphold the spirit of excellence and cooperate with major global well-known system manufacturers to continuously develop new products in line with market trends and continue to improve its market position.

(3) The supply and demand situation and growth potential of the market in the future

The notebook PC market is expected to shift from recovery in 2025 to correction in 2026. Gartner indicated that global PC shipments exceeded 270 million units in 2025, representing year-on-year growth of 9.1%, mainly driven by the Windows 11 upgrade cycle and pull-in demand. However, entering 2026, TrendForce has revised downward its forecast for global notebook PC shipments to a year-on-year decline of 14.8%, while Omdia also estimates that global notebook PC shipments will decrease by 12% year-on-year to 192.2 million units. The main reasons include rising memory and storage prices, fluctuations in CPU supply, and increases in end-market selling prices, all of which have suppressed general consumer demand. Overall, demand in the notebook PC market in 2026 is expected to remain supported by commercial replacement demand and certain AI PC demand. However, on the supply side, component costs and supply allocation are expected to affect market conditions, resulting in a more conservative growth outlook.

The LCD monitor and All-in-One PC (“AIO”) markets are expected to continue exhibiting the characteristics of mature industries, with the overall market driven mainly by structural adjustments rather than significant volume expansion. TrendForce noted that global monitor shipments declined to 125 million units in 2023 and recovered only slightly to approximately 128 million units in 2024. Omdia estimated that large-size LCD shipments reached 876.8 million units in 2025, representing year-on-year growth of 2.6%, while also noting that non-Chinese panel makers reduced monitor LCD production due to price competition from Chinese peers. On the supply side, TrendForce estimates that 8.6-generation production lines will account for approximately 26% of global LCD capacity in 2026, while the share of 5-generation and older production lines will decline to 4.7%, indicating that LCD supply continues to concentrate toward higher-generation lines and Chinese manufacturers. On the demand side, Omdia forecasts that desktop PC shipments will decrease by 10% year-on-year to 53.2 million units in 2026, and AIO demand will also be difficult to decouple from the correction in the overall desktop PC market. Overall, supply and demand in the LCD monitor and AIO markets are expected to remain broadly balanced in 2026, although price competition is expected to persist and growth prospects remain limited.

The foldable smartphone market, by contrast, remains one of the consumer electronics categories with relatively stronger growth potential in 2026. IDC estimates that global foldable smartphone shipments will reach approximately 20.6 million units in 2025 and increase by 30% year-on-year in 2026 to approximately 26.78 million units. Counterpoint Research also forecasts that global foldable smartphone shipments will grow by 20% year-on-year in 2026, indicating that major research institutions generally expect the market to maintain double-digit growth. China remains one of the most important sources of demand. IDC noted that foldable smartphone shipments in China reached 7.62 million units in the first three quarters of 2025, with full-year shipments estimated to approach 10 million units. TrendForce estimates that global foldable smartphone shipments will reach approximately 19.8 million units in 2025, with a penetration rate of approximately 1.6%, and expects that the entry of Apple, a major U.S. brand, in 2026 may help increase market penetration to over 3% by 2027. Therefore, demand for foldable smartphones in 2026 is expected to remain driven by high-end replacement demand and brand expansion. On the supply side, the market will continue to focus on optimization of panels, hinges, ultra-thin glass (“UTG”), and overall device yield. As such, its growth prospects are significantly stronger than those of the general smartphone market; however, given its still relatively small base, foldable smartphones are expected to remain a high-end niche market in the near term.

(4) Competing for a niche

A. Stay focus

The company has been focusing on the hinge industry for years and has accumulated considerable experience and is well-known. At present, it is a world-renowned supplier of notebook computer hinges, AIO hinges and LCD hinges, with a certain economic scale.

B. Actively develop products with new types of structures

Since its establishment, the company has increased the breadth and depth of research and development and continued to develop products with new types of structures. To cooperate with the development trend of innovative application and design of various electronic products, we provide the best cooperation and service for the client, thereby enhancing the added value of the client's products and product competitiveness.

C. Excellent R&D and design capabilities

R&D and design capabilities are the most important capabilities of the company and we are constantly trying to improve ourselves. As far as the entire R&D system is concerned, a feedback mechanism for failure experience and design standards have been established. All design experience will be continuously accumulated, improved and grown through such a mechanism, which not only enables new recruits to quickly accumulate experience, but also Quickly translate personal failure experience into the experience of all designers. In addition, our company is also the first company in the industry to introduce the finite element analysis method into design verification. The computer finite element software assists in the analysis of strength, life and movement and the previous trial and error process is advanced to the front end of the design. It enables front-end design methods to be determined early, accurately and quickly to meet customer quality and R&D speed requirements and to imp rove design capabilities.

D. Financially sound

The competitive nature of the market favors those who can respond quickly, while the pivot product has the characteristics of short development time and frequent design changes. Frequent design changes make it more expensive to invest in the initial stage of development. Unless there is sufficient capital, it is difficult to bear the loss of funds during the development period. Therefore, the company is financially sound and can meet the huge capital needs from development to mass production.

E. Patent threshold

The company protects the research and development achievements by applying for patents and effectively improves the entry threshold of the industry by accumulating patents. With the continuous evolution of products, there will also be innovative technologies and new structures. As soon as the company has a new technical structure, it will immediately apply for patent protection to maintain this competitive advantage.

F. CAE software

Has strong calculation and verification ability and can provide data reference for the strength of the product in the early design stage.

G. Perfect supply base

There are production bases, which can meet the supply needs of customers in various regions and each base has a precision measurement center, which can effectively control the quality.

H. Professional management team and corporate reputation

The company has a professional management team with rich experience and excellent technical ability. The leaders of each business department have rich qualifications in related industries and all have professional technical background. Therefore, whether it is the consolidation of the market or the expansion of performance, they all occupy an absolute position. Competitive Advantage. The company has been committed to the development of production hinges for more than ten years and has a certain reputation, which can attract better talents to join.

I. Invest in automated production equipment

Actively develop automation equipment to save labor costs, improve product production stability and quality and reduce costs.

(5) Advantages, disadvantages and countermeasures of development prospects

A. Favorable factors

i. The hinge product has a wide range of applications and has room for growth

The pivot product is the main pivot of the connection between the screen and the base in various electronic products to achieve the rotation function of opening and closing, such as notebook computers, LCD screens for various purposes, mobile phones, screen cameras. Important parts that must be used. Under the situation that the annual output of major electronics manufacturers is increasing day by day, the future development of hinge products is limitless and has great room for development.

ii. Strong R&D and design capabilities

The company has always been aiming at innovative technology and actively researching and developing types of hinge products. In addition to being sensitive to market trends, it can also develop according to customer needs. In recent years, the hinge of folding mobile phones has also brought considerable benefits to the company's revenue, which is enough to prove that the company It has leading R&D competitiveness in the industry

B. Unfavorable factors

i. The competition of information electronic products is fierce and the profit is meager

Due to the short life cycle of information and electronic products and the rapid changes in product technology and functions, the price of products has fallen rapidly and the cost of raw materials has continued to rise.

Our Countermeasures

In the face of rapid changes in the information and electronics industry environment, the company actively develops new structural designs to meet the needs of the current market environment. In addition, the continuous upward trend of raw material costs enables the company to introduce the feasibility assessment and verification of low-cost alternative materials while developing new structures and adopt the research and development direction of matching and simplifying the design structure to improve the profit of its own hinge products.

In response to the current market situation with meager profits, the Company actively develops the structural design of high-end products, so that the entry threshold of high-end products is higher than that of existing products to increase profits.

ii. Lack of labor causes a relative increase in labor costs

In recent years, Taiwan's industrial pattern has been gradually changing. Various service industries are on the rise. The manufacturing industry has also transformed from traditional labor-intensive to capital-intensive and technology intensive. The number of employees in the manufacturing industry has decreased, the recruitment of basic labor is difficult and wages have continued to rise., The increase in wage costs has also caused pressure on domestic manufacturers to operate.

Our Countermeasures

Since the company started the production of notebook computer components, it has been committed to the improvement of production and process. By adding machinery and equipment, increasing the degree of factory automation and mechanization to reduce the dependence on manpower and improve the unit of grassroots manpower output.

Strengthen pre-employment and on-the-job training of employees to improve the quality and productivity of personnel and commit to human resource planning and enhance employee benefits to effectively reduce personnel turnover and improve the company's profitability.

4.2.2 Important uses and manufacturing processes of main products

:	Main products and their uses
Hinge	Mainly used in connecting shafts of computers, electronics, optics, home appliances, information, communications, instruments and other products, such as: commercial notebook computer hinges, industrial notebook computer hinges, military notebook computer hinge, LCD Monitor, Automotive Equipment
Optical Fiber Connector	Mainly used in optical transmission systems, as a connection between telecommunications companies' computer rooms, base stations, cable TV operators' computer rooms, relay stations, network operators' computer rooms Fiber to home users, theater-level audio equipment, optical master and passive (active) Component manufacturers' inspection equipment and military communication equipment.
Other	Applicable to all products and equipment spare parts products.

4.2.3 Availability of main raw materials

The company's main raw materials are male and female shafts, mandrels, castings, iron sheets, copper sheets, gaskets, shrapnel, sleeves, screws, nuts and metal powder injection. Each raw material has more than two suppliers as a response and establishes long -term cooperative partnership with suppliers and the supply quality is stable.

4.2.4 Customers who have accounted for more than 10% of the total purchases (sales) in any of the last two years

(1) The names of suppliers who have accounted for more than 10% of the total purchases in any of the last two years, their purchase amounts and proportions and the reasons for their increase or decrease

From 2024 to 2025 and as of the first quarter of 2026, the company has no suppliers that account for more than 10% of the total purchases.

(2) The names of the sales customers who have accounted for more than 10% of the total sales in any of the last two years, the sales amount and proportion and the reasons for the increase or decrease

Unit: NT$ thousand

Item	2024				2024				2025 up to the first quarter			
	Name	Amount	Ratio to net sales for the year (%)	Relationship with the issuer	Name	Amount	Ratio to net sales for the year (%)	Relationship with the issuer	Name	Amount	First quarter (%)	Relationship with the issuer
1	Customer F	4,627,932	48.32	None	Customer F	4,391,969	46.70	None	Customer F	525,244	31.01	None
2	Customer A	1,067,166	11.14	-	Customer A	974,174	10.36	None		-	-	-
3	-	-	-	-	-	-	-	-		-	-	-
	other	3,883,072	40.54	-	other	4,039,290	42.95	None	other	1,168,344	68.99	-
	net sales	9,578,170	100.00	-	net sales	9,405,433	100.00	-	net sales	1,693,588	100.00	-

Explanation of changes: The ranking of the company's sales customers changes with the different allocation ratios of system manufacturers' models to each end customer, causing the company's key sales volume and proportion to each customer to change accordingly.

4.3 Human Resources Information of the most recent two years until the publication of this annual report:

Fiscal yeat		2024	2025	As of April 30, 2026
Number of employees	Labor	1,360	1,468	2,397
	Employees	1,132	1,058	1,025
	Total	2,492	2,526	3,422
Average age		31.94	35.72	34.89
Average years of service		3.15	4.22	3.92
Education distribution percentage (%)	Ph.D.	0.16	0.16	0.12
	Master's degree	2.97	2.53	1.90
	College	30.02	29.85	27.70
	Senior high school	28.41	28.46	34.28
	Below senior high school	38.44	39.00	36.00

4.4 Environmental Protection Expenditure

In the most recent year and as of the publication date of the annual report, the losses incurred due to environmental pollution (including compensation and environmental protection inspection results that violated environmental protection laws and regulations) shall list the date of punishment, the name of the punishment, the provisions of the violation, the content of the violation and the punishment. content) and disclose the estimated amount and countermeasures that may occur at present and in the future. If it cannot be estimated, the fact that it cannot be estimated shall be stated): None

4.5 Labor Relations

4.5.1 The company's various employee welfare measures, further education, training and retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures

(1) Employee Welfare Measures

The company attaches immense importance to employee welfare, establishes an employee welfare committee in accordance with the Employee Welfare Fund Regulations to manage various employee welfare matters and allocates welfare funds for monthly operating income, employee salaries and the sale of salaries in accordance with regulations. In accordance with labor insurance regulations and national health insurance regulations, it provides labor insurance and health insurance for all employees and enjoys various labor insurance payment rights. The company has always paid attention to humanized management and adhered to the concept of coexistence and humiliation of labor and management. Therefore, it adopts a variety of methods to deal with labor-management issues. Through labor-management meetings, we listen to employees' voices, understand employees' ideas and increase employee communication channels to unite employees. Centripetal force to promote the continuous improvement of the company y's operating results and achieve the goal of sustainable development. In addition, our employees also enjoy the following benefits:

A. Insurance benefits: Travel “Ping An” Insurance for colleagues on business trips.
B. Vacation benefits: two days off (plus national holidays), marriage leave, maternity leave, paternity and pregnancy check-up leave , special leave.
C. Traffic welfare: There are parking lots for cars and locomotives.
D. Meal benefits: meal options in the staff restaurant.
E. Clothing Welfare: Provide staff uniforms.
F. Bonus and benefits: year-end bonus, employee remuneration, incentive bonus, patent bonus, production performance bonus, annual full-time bonus and annual senior employee bonus.
G. Entertainment and benefits: annual staff travel, annual staff dinner, year-end dinner party and lottery activities.
H. Subsidy and welfare: pre-employment education and training, in-service education and training and internal/external training professional course arrangement fee subsidies.
I. Other benefits: regular health check-ups for employees, gifts for three festivals, gifts for birthdays, subsidies for various weddings and funerals and discounts for employees in various special stores.

4.5.2 2025 Employee Education and Training Achievements

Unit: person/hour/NT$

Item	Participants	Training Hours	Training Expenditure
1. Quality Management & Continuous Improvement	7,855	7,366.5	40,314
2. Ethics & Compliance	1,580	2,269.5	56,440
3. Data Privacy & Human Rights Protection	9,759	7,035	31,111
4. Information Security & Cyber Governance	1,377	1,545.5	59,214
5. ESG & Sustainable Development	8,948	6,529	11,800
6. Managerial Competence & Advanced Talent Cultivation	352	422	851,752
7. Product Safety & Technical Knowledge Transfer	2,506	3,090	50,129
8. Continuing Education & General Studies	2,476	4,917	1,143
Total	34,853	33,174.5	1,101,903

(1) In 2025, the total number of employees who practically participated in training sessions reached 34,853 person-times. This includes self-funded programs as well as complimentary training courses organized by competent authorities, accounting firms, industry associations, and internal corporate sessions. The Company's actual training expenditure for the year amounted to NT$1,101,903.
(2) Upon onboarding, employees undergo orientation training and functional on-the-job training. Additionally, an annual training needs survey is conducted to formulate and execute the annual training plan in alignment with our operational strategies and talent sustainability goals. Effectiveness evaluations are performed based on training outcomes to reinforce employee competencies, thereby enhancing corporate operational performance and competitiveness.
(3) To support the Company’s long-term development and elevate employee caliber, we have constructed a diverse and systematic training framework, encouraging internal professionals to conduct professional skill-sharing courses. Through systematic talent cultivation, we enable every employee to maximize their potential.

- Quality Management and Continuous Improvement Training: Strengthens quality control capabilities and process optimization to enhance operational stability and efficiency.
- Professional Ethics and Business Integrity Training: Establishes a corporate culture of integrity and compliance awareness to mitigate governance risks.
- Data Privacy and Human Rights Protection Training: Protects employee rights and personal data privacy to implement human rights policies.
- Information Security and Cyber Governance Training: Upgrades cybersecurity defense capabilities and organizational risk resilience.
- ESG and Sustainable Development Training: Deepens sustainability awareness to drive corporate social responsibility and low-carbon transition.
- Managerial Competence and Advanced Talent Cultivation Training: Builds a robust management echelon and a comprehensive talent succession framework.
- Product Safety and Technical Knowledge Transfer Training: Ensures product quality and safety while preserving core technical competitiveness.
- Continuing Education and General Studies Training: Promotes cross-disciplinary learning and organizational collaborative capabilities.

4.5.3 Retirement System

(1) In accordance with the provisions of the "Labor Standards Law", the company has established a retirement method with defined benefits, which is applicable to the years of service of all regular employees before the implementation of the "Labor Pension Regulations" on July 1, 2005. Employees who choose to continue to apply the Labor Standards Law after the Labor Pension Regulations" will continue to serve their employees. For employees who meet the retirement conditions, the payment of pension is calculated based on the length of service and the average salary of the 6 months before retirement. Two bases are given for each full year of service within 15 years and each year for more than 15 years of service. One base is given for one full year, but the maximum accumulation is limited to 45 bases. The company allocates 2% of the total salary to the retirement fund monthly and deposits it in a special account in the Trust Department of the Bank of Taiwan in the name of the Labor Retirement Reserve Supervision Committee.

(2) Since July 1, 2005, the company has established a retirement method with certain contributions in accordance with the "Labor Pension Regulations", which is applicable to employees of their own nationalities. The company chooses to apply the part of the labor pension system stipulated in the "Labor Pension Regulations". The company pays 6% of the employee's monthly insured salary to the employee's personal account of the Bureau of Labor Insurance according to the salary grading table monthly. Retirement pension is paid in monthly pension or lump sum pension according to the employee's personal pension account and the amount of accumulated income.

4.5.4 Employee Code of Conduct or Ethics

Regarding the behavior and code of ethics of employees, the company has formulated relevant measures and regulations such as work rules, as a guideline for employee behavior. The main contents are:

(1) Standardize the duties and organizational functions of each unit.
(2) Employees must establish good discipline.
(3) Comply with government laws and regulations.

(4) Protect the company's assets for effective use.
(5) The company's confidential business and information should be kept confidential.
(6) The periodic reports submitted shall be disclosed in a complete, fair, correct, timely and easy-to-understand manner.
(7) To reward or punish the company's operating profit or loss due to the employee's behavior.
(8) To formulate assessment standards for assessing employees' work achievements and performance and use them as the basis for salary adjustment and promotion bonus distribution and education and training course arrangement.

The company evaluates employees according to the work responsibilities of various departments, employee attendance management methods, employee reward and punishment management methods, performance appraisal work methods and other regulations. All reward and punishment regulations are well known to employees to abide by, so that employees clearly know the code of conduct and employees are entitled to sufficient salary When encouraging deeds or admonishing behaviors, rewards and punishments shall be managed in accordance with the above-mentioned regulations.

4.5.5 Protection Measures for Working Environment and Personal Safety of Employees

The company has won the ISO14001 (2015 version) environmental management system certification of the Metal Industry Research and Development Center(Validity period: 6/5/2022~6/4/2025), ISO45001 (2018 version) occupational safety and health management system certification(Validity period: 5/30/2022~5/29/2025) and LCIE-SNQ IECQ QC080000: 2017 Hazardous Substance Process Management System (HSPM) certification(Validity period: 12/3/2020~12/2/2023), so in terms of protection and management measures for the working environment and employees' personal safety and health, it has reached the level of regulations.

4.5.6 The agreement between labor and management and various measures to protect the rights and interests of employees

The company attaches significant importance to humanized management and recognizes that labor and capital are integrated to coexist and prosper. In the recent year and as of the publication date of the annual report, there have been no major labor disputes. In the future, the communication between labor and management will continue to be strengthened and two-way coordination will be adopted in policy promotion and employee feedback to protect the rights and benefits of employees., so that both parties can recognize and understand each other better, eliminate unnecessary disputes, maintain harmony and move towards the common goal of the company.

Losses suffered from labor disputes in the most recent year and up to the date of publication of the annual report (including the violation of the Labor Standards Act by the labor inspection results, the date of punishment, the name of the punishment, the violation of laws and regulations, the content of laws and regulations and the content of punishment) and disclose the estimated amount and countermeasures that may occur at present and in the future. If it cannot be estimated, it should explain the fact that it cannot be estimated.

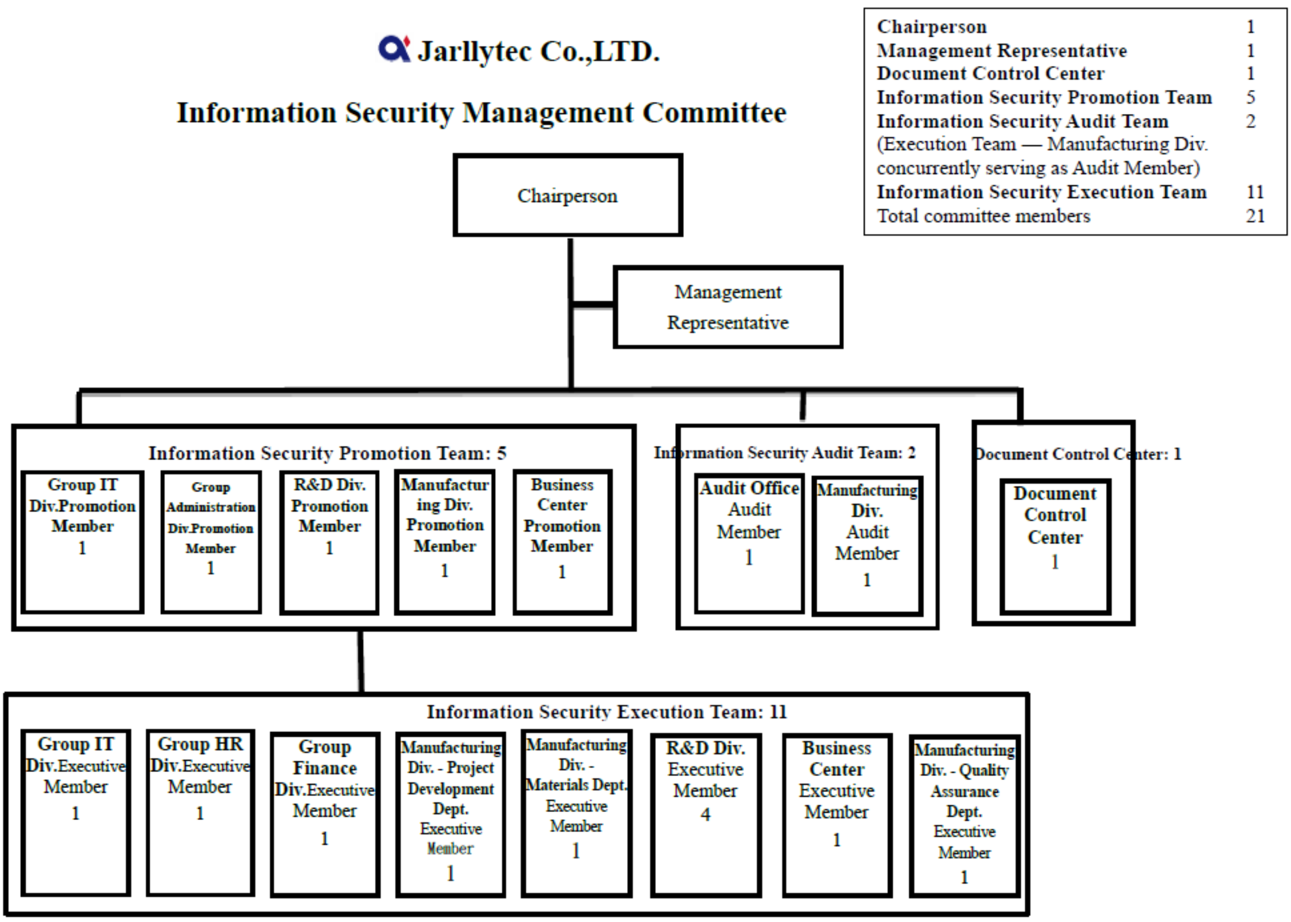
The company recognizes the integration of labor and capital and continues to strengthen the communication between labor and management. In the most recent year and as of the publication date of the annual report, there has been no major labor disputes and losses. Since then, efforts have been made to eliminate the occurrence of disputes and various employee welfare measures have been implemented. It is estimated that there will be no losses in the future.

4.6 Information Security Management

4.6.1 State the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management.

1. Information and communication security management strategy and structure
With the advancement of network technology and the increase in information security risks, enterprises are facing increasing information security risks. In order to enhance the company's overall information security protection capabilities, ensure the accuracy of information processing in each unit and the computer software and hardware and the reliability of the network system. The company officially introduced ISO27001:2021 on September 1, 2023 and established an information security management committee promotion organization. The chairman is the chairman, with 1 management representative and 5 information security implementation teams. There are 2 people in the information security audit team, 10 people in the information security execution team, and 1 person in the document management center. An announcement will be issued on September 1, 2023. The head of the information unit will report the information security management situation to the board of directors regularly every year, and January 30, 2026.

Information Security Management Committee Promotion Organization Chart



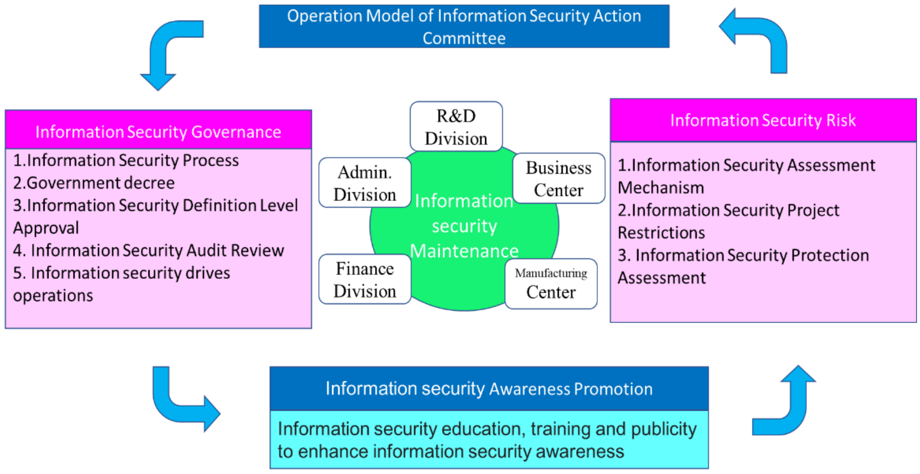
2. Information Security Policy

The information unit updated the "Information Security Management Manual" on September 1, 2023, and formulated the information security policy as "Everyone is Responsible for Information Security" to strengthen information security management and ensure the security of data, systems, equipment and networks. The term "information security" as mentioned in this policy refers to ensuring the accuracy of the company's information processing, the reliability of the computer software, hardware, peripherals and network systems used by the operators, and ensuring that the above resources are free from interference, destruction and intrusion. behavior or attempt. The goal of information security is to ensure the legal access to the company's information, and to provide complete and uninterrupted information system operation. After taking prompt and necessary contingency measures, normal operations can be restored in the shortest possible time to reduce the possibility of accidents. the damage caused. The scope of information security coverage is as follows:

Information security covers 93 management items in 4 major controls to avoid improper use, leakage, tampering, destruction, etc. of information due to human negligence, natural disasters and other factors, which may bring various possible risks and harms to the company.

Management matters are as follows:
2.1 Organizational control: There are 37 control items in total.
2.2 Personnel control: There are 8 control items in total.
2.3 Entity control: There are 14 control items in total.
2.4 Technical Control: There are 34 control items in total

The company's information security management policy is to formulate a complete plan with reference to the ISO/IEC 27001 standard, establish high-level continuous operation management and carry out a complete system disaster recovery plan (ERP, HRM, electronic sign-off), and allocate dedicated personnel for information security Personnel assist the company in its operations. Information department personnel receive training from external professional organizations on a regular basis every year. They continue to pay attention to the changing trends of the information environment, conduct regular security testing, and conduct regular information security education and training for colleagues to strengthen the information security crisis awareness and information security handling of the company's colleagues. personnel's adaptability, and in March 2023, the information security risk management and continuous improvement framework was formulated as follows:



3. Specific management plan

In order to achieve information security policies and goals and establish comprehensive information security protection, the management items and specific management plans implemented are as follows:

(1) Improve information security defense capabilities: The company continues to strengthen information security investment, regularly assigns vendors to conduct vulnerability scans every year, and corrects and strengthens them. It also revises ISO-related documents to establish a network security incident contingency plan, conducts impact and loss assessments based on the severity of the incident, and takes In response to notification and recovery actions, the company continues to strengthen system backup and regularly arranges backup and restoration plan drills for important information systems such as ERP & electronic sign-off systems to ensure that company disasters can be completed within the company's customized RTO and RPO in compliance with regulations.

(2) Improve network, endpoint and application security: The company regularly invests in information security-related funds every year to establish a basic protection structure to ensure that corporate operations are within a safe range. Therefore, information security risks have not had a significant impact on the company's financial business. At present, the company has invested in software and hardware protection measures, including new generation firewalls (with SD-WAN and SWG modules), enterprise file encryption systems, anti-virus software, and spam filtering systems. At this stage, there is no need to invest in insurance according to internal evaluation. Safe and safe. At present, all company computers are equipped with anti-virus software, and the deployment rate has reached more than 99.9%. Starting from 2021, the MDR threat detection and response service has been purchased to monitor the server 7X24. Any abnormalities will be immediately blocked and isolated, and IT personnel will be notified by email for handling. ; The machine equipment network and the server are set to different network segments, and the virus is scanned through the intermediary server before uploading.

(3) Education and Training:

Social engineering drills have been initiated since 2022 to reinforce the implementation of information security concepts across all departments, prompting every employee to understand that information security is everyone's responsibility. Starting from 2026, social engineering drills have been increased to twice a year.

(4) Management Review Meetings:

A management review meeting was convened on October 20, 2025. The meeting reported on changes in internal and external issues relevant to the Information Security Management System (ISMS), feedback on information security performance, the results of risk assessments and the status of risk treatment plans, and opportunities for continuous improvement.

(5) Regulatory Compliance and Adoption of International Information Security Standards:

In 2022, the Company’s Taiwan headquarters joined the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) as a member, and has since participated in its annual meetings each year to absorb shared cybersecurity experiences. In November 2023, the Company introduced the ISO 27001:2022 standard and received a certification recommendation, subsequently obtaining the official certificate in January 2024 (Validity Period: January 18, 2024, to January 18, 2027). In 2026, an international certification body was commissioned to conduct the three-year external recertification audit, driving continuous improvements to the ISMS.

4. Specific management plan

(1) Strengthen information security education and training: Information security education and training will be arranged for new employees upon arrival. Information security concepts are promoted in weekly meetings every quarter, and information security education training and tests are conducted for all department personnel every year until they pass the test.

(2) Annual social engineering drills were arranged from May to July 2025. In this drill, 2 emails were sent to each of the 910 users, resulting in a total of 1,820 mock emails distributed. Initially, 0.7% of personnel failed the drill. Following educational training and reinforced promotions, a secondary social engineering drill was conducted. Continuous drills are scheduled for 2026. Furthermore, effective March 1, 2023, a bilingual (Chinese and English) warning message has been attached to all external emails: "Reminder: This is an external email. Please verify that the sender source is secure before opening any links or attachments."

(3) Initial server vulnerability scanning was conducted in June 2025, followed by a re-test in August 2025. The Company has progressively enhanced the mail server, electronic sign-off server, and HRM (Human Resource Management) system server by upgrading their operating systems and database system versions, thereby reducing the occurrence of vulnerabilities.

(4) A High Availability (HA) firewall architecture was established in 2025. In the event of a single firewall anomaly, the HA architecture automatically switches over to prevent network disruption from affecting system and data transmissions, thereby upgrading network stability. Additionally, new Wi-Fi Access Points (APs) were purchased to phase out legacy equipment that did not meet information security requirements. Since 2023, a VPN Two-Factor Authentication (2FA) mechanism has been fully implemented to strengthen identity verification mechanisms and mitigate remote access risks.

(5) In 2023, Data Loss Prevention (DLP) encryption software was procured. Following the introduction of DLP encryption controls for R&D engineering drawings, these drawings can only be utilized within the corporate network domain. When R&D personnel save drafted engineering drawings, the files are automatically encrypted; they cannot be accessed or used on computers outside the Company without managerial review and decryption. This initiative effectively elevates the confidentiality and integrity of information security.

4.6.2 List the losses, impacts and countermeasures caused by major information security incidents in the most recent year and as of the date of publication of the annual report. If it cannot be estimated, the facts that cannot be estimated should be stated: the most recent year and the end of the year as of the publication date of the annual report, there is no loss due to major information security incidents, so it is not applicable.

4.7 Important Contracts

The company has signed relevant supply and sales contracts and engineering contracts with customers and manufacturers, but the above-mentioned contracts have no content that is sufficient to affect shareholders' rights and interests

Contract type	Contracting party	Term of agreement	Main contents	Restrictive Clauses
Long - term	Chang Hwa Bank	2019/12/11~2029/11/15	Operations	guaranteed

5. Review and Analysis of Financial Conditions, Financial Performance, and Risk Management

5.1 Analysis of Financial Status

Unit: NT$ thousand

Item \ Year	2024	2025	Difference Amount	Difference Percentage (%)
Current Assets	8,069,915	7,903,034	(166,881)	(2.07)
Property, Plant and Equipment	2,795,061	3,064,248	269,187	9.63
Intangible Assets	24,553	26,505	1,952	7.95
Other Assets	637,169	700,635	63,466	9.96
Total Assets	11,526,698	11,694,422	167,724	1.46
Current Liabilities	4,505,159	3,013,609	(1,491,550)	(33.11)
Non-current Liabilities	1,136,880	2,487,064	1,350,184	118.76
Total Liabilities	5,642,039	5,500,673	(141,366)	(2.51)
Share Capital	660,914	677,442	16,528	2.50
Capital Reserve	1,866,597	2,154,364	287,767	15.42
Reserve Surplus	3,274,643	3,276,365	1,722	0.05
Other rights	82,505	85,578	3,073	3.72
Equity attributable to owners of the parent	5,884,659	6,193,749	309,090	5.25
Non-controlling Interests	0	0	0	0.00
Total Equity	5,884,659	6,193,749	309,090	5.25

The main reasons for the major changes in the company's assets, liabilities and equity in the last two years (the changes in the previous and later periods are more than 20% and the number of changes is NT$10 million), the main reasons and the impact and future response plans

1. Current Liabilities：Decreased by NT$1,491,550 thousand in 2025 compared to 2024, primarily due to the repayment of short-term borrowings and the settlement of trade payables in 2025.

2. Non-current Liabilities：Increased by NT$1,350,184 thousand in 2025 compared to 2024, mainly attributable to the issuance of the third unsecured domestic convertible bonds..

5.2 **Financial Performance**

5.2.1 Analysis of financial performance

Unit: NT$ thousand

Year / Item	2024	2025	Difference	
			Amount	Percentage(%)
Operating income	9,578,170	9,405,433	(172,737)	(1.80)
Operating cost	(7,992,045)	(8,281,263)	(289,218)	3.62
Operating profit	1,586,125	1,124,170	(461,955)	(29.12)
Operating expenses	(1,035,899)	(872,675)	163,224	(15.76)
Net operating profit	550,226	251,495	(298,731)	(54.29)
Non-operating income and expenses	262,471	17,017	(245,454)	(93.52)
Net profit before tax	812,697	268,512	(544,185)	(66.96)
Income tax expense	(235,935)	(117,772)	118,163	(50.08)
Net profit for the current period	576,762	150,740	(426,022)	(73.86)
Other comprehensive gains and losses	191,239	2,762	(188,477)	(98.56)
Total comprehensive profit and loss for the current period	768,001	153,502	(614,499)	(80.01)

5.2.2 Analysis of Changes in Financial Ratios for the Past Two Years

1. Decrease in Operating Revenue:Driven by fluctuations in market demand and customer price reductions.
2. Increase in Operating Costs:Mainly attributable to the increase in production costs resulting from the introduction of new products (NPI).
3. Decrease in Operating Income:Primarily due to the increase in operating costs.
4. Decrease in Net Income Before Tax:Mainly due to the increase in operating costs and the increase in net non-operating foreign exchange losses.
5. Decrease in Other Comprehensive Income:Primarily due to the decrease in exchange differences on translation of financial statements of foreign operations.
6. Decrease in Total Comprehensive Income for the Period:Mainly resulting from the decreases in net income for the current period and other comprehensive income.

5.2.3 Expected Sales Volume for the Next Year, Its Basis, Potential Impact on the Company’s Future Financial and Business Operations, and Response Plans

The inauguration of the Trump administration in the United States has led to the implementation of numerous policies impacting global economic markets, such as tariff initiatives, while exerting pressure on or taking counter-measures against countries with conflicting interests. Based on current industry conditions and the status of order placements and sales in 2026 up to the publication date of this annual report, the Company maintains a prudent and conservative outlook regarding its sales revenue for the fiscal year 2026. As the Company does not publicly disclose financial forecasts, we refrain from providing specific details regarding expected sales volumes and their underlying bases.

5.3 Analysis of Cash Flow

5.3.1 Analysis and explanation of changes in cash flow in recent years

Unit: NT$ thousand

Item	Cash Flow		Change	
	2024	2025	Amount	%
Business Activities	448,900	516,265	67,365	15.01
Investment Activity	(506,196)	(538,758)	(32,562)	6.43
Fund Raising	254,036	953,118	699,082	275.19

Analysis of the change in the increase or decrease ratio:
1. Increase in Net Cash Flows from Operating Activities:
   Primarily due to the decrease in accounts receivable during the current period.
2. Increase in Net Cash Flows Used in Investing Activities:
   Mainly attributable to the investments in joint ventures during the current period.
3. Increase in Net Cash Flows from Financing Activities:
   Mainly resulting from the issuance of corporate bonds and the repayment of borrowings during the current period.

5.3.2 Improvement plan for insufficient liquidity: N/A

5.3.3 Analysis of cash flow in the coming year

Unit: NT$ thousand

Beginning cash Balance	Year-round from business activities Net cash flow	Net cash flow from other activities for the full year	Cash surplus (insufficient) amount	Remedies for insufficient cash	
				Investment plan	Fundraising plan
4,209,246	50,000	(427,000)	3,782,751	-	-

1. Analysis of cash flow situation in the next year
   (1) Operating activities: Due to the net cash inflows generated from operating activities.
   (2) Investing activities: Due to net cash outflows from purchasing machinery, equipment and financial products.
   (3) Financing activities: The main reason is the net cash outflow from the payment of loan and cash dividends.
2. Remedial measures and liquidity analysis for the expected cash shortfall: None.

5.4 The Impact of Major Capital Expenditures on Financial Business in the Most Recent Year

5.4.1 Application of major capital expenditures and sources of funds

Unit: NT$ thousand

Plan project	Actual or expected Sources of funds	Actual or Expected Completion Date	Required capital	Scheduled Case
				2025
Purchase machinery and equipment	own funds and Bank loan	December 2025	380,000	380,000

5.4.2 Expected to generate benefits

We invest a total of NT$ 380,000 thousand to purchase machinery and equipment, for the expansion of production capacity to cope with future market expansion.

5.5 Reinvestment Policy in the Most Recent Year, the Main Reasons for its Profit or Loss, Improvement Plan and Investment Plan for the Next Year

5.5.1 Reinvestment policy

The company focuses on long-term holding and reinvests in the mainland, Thailand and Vietnam through third places to set up production bases and set up service bases in Singapore to deploy overseas markets, establish a complete supply chain, serve customers nearby and strive for a wider range of products. market and strengthen the overall competitiveness. From time to time, the company assigns financial and audit personnel to the subsidiary to understand the actual operation and operation status and to check the implementation of internal control operations and report to the parent company to implement control.

5.5.2 Profits or losses from reinvestment

The Company recognized investment income of NT$326,920 thousand under the equity method for the year 2025, primarily attributable to the profits generated by its subsidiaries.

5.5.3 Investment plan for the next year:

Investment plans shall be established according to the operational requirements of our company and its invested enterprises.

5.6 **Analysis of Risk Management**

5.6.1 The impact of interest rate, exchange rate changes and inflation on the company's profit and loss and future countermeasures

(1) Interest rate changes and interest expenses

Unit: NT$ thousand

Item \ Year	2025	As of March 31, 2026
Interest Income	63,570	14,428
Interest Expense	48,128	12,995
Operating Income	9,405,433	1,693,588
Net profit before tax	268,512	(88,155)
(Interest Expense - Interest income)/operating income	(0.16)%	(0.08)%
(Interest Expense - Interest income)/net profit before tax	(5.75)%	1.63%

The company's current floating-rate assets are mainly bank deposits, and floating-rate liabilities are long-term and short-term loans. At present, the proportion of the company's borrowings is not high, and the working capital is sufficient. There is a large room for flexibility in financial operations to cope with the risk of interest rate changes. The cash flow risk arising from changes is insignificant.

Policies and Responses:

A. In terms of interest rates, the company refers to domestic and foreign economic research institutions and bank research reports in order to grasp the future trend of interest rates, and maintain smooth communication channels with banks to strive for preferential loan conditions.

B. Improve the company's financial planning and effectively use various financial tools to reduce the risk of interest rate changes.

C. In the future, the company will still be based on the principle of conservative and prudent, considering the safety and reasonable income and the idle funds of the company will be deposited in financial institutions with good credit.

(2) Foreign exchange gains and losses

Unit: NT$ thousand

Item \ Year	2025	As of March 31, 2026
Net foreign exchange gains (losses)	(32,878)	(2,504)
Operating income	9,405,433	1,693,588
Net profit before tax	268,512	(88,155)
Net foreign exchange gains (losses)/operating income	(0.35)%	(0.15)%
Net foreign exchange (loss)/net profit before tax	(12.24)%	2.84%

The Group's operating income is mainly denominated in US dollars from overseas sales, and changes in exchange rates mainly affect sales revenue and gross profit. At present, the Group adopts natural risk-avoidance measures and has reached an agreement with several major raw material suppliers. The payment for goods is mainly in US dollars, so as to reduce the impact of exchange rate changes on the company. At the end of 2023, the balance of financial assets after offsetting financial assets and financial liabilities of the group was NT$2,651,623 thousand (US$84,366 thousand). If the NT dollar depreciates or appreciates by 5% against the US dollar, the group's net profit before tax will increase or decrease by about NT$132,581 thousand.

Policies and Responses:

A. The company collects information on exchange rate changes at any time, judges the situation of exchange rate changes and takes hedging operations in a timely manner to avoid the risk of exchange rate changes and reduce the adverse impact of exchange rate changes on the company's profit and loss.
B. For the foreign exchange positions held, the company will refer to the professional consulting services provided by various financial institutions, fully control the exchange rate trend and determine the favorable time to convert Taiwan dollars depending on the actual capital needs.
C. The company will adopt the operation strategy of derivative financial products with the nature of hedging, such as options, pre-purchase forward foreign exchange (Forward), to avoid relevant exchange rate risks according to the changes in the foreign exchange market and the demand for foreign exchange funds., to minimize the impact of exchange rate changes on the company's profit and loss.

(3) The impact of inflation on the company's profit and loss and future countermeasures

The purchase amount of the Group in 2025 is NT$ 6,082,419 thousand. If the inflation rate increases by 1%, the purchase cost of the Company will increase by NT$ 60,824 thousand.

Policies and Responses:

The company pays attention to the changing trend of international raw material prices at any time and maintains a good cooperative relationship with raw material suppliers to reduce the impact of rising raw material prices. At the same time, the company also continues to achieve the goal of cost reduction through product and process improvement or cost transfer.

5.6.2 Main reasons for profit or loss and future countermeasures for engaging in high-risk, high-leverage investments, lending funds to others, endorsement guarantees and derivatives transactions in the most recent year

(1) Engage in high-risk, high-leverage investment situations

Based on the principle of prudence and pragmatic business philosophy, the company has not engaged in any high-risk, high-leverage investment except for focusing on long-term investment in the company's related businesses.

(2) Fund loan to others

2025 and as of the date of publication of the annual report, the Group has funds loaned to others. The parent company has, with the approval of the board of directors, lent funds to manufacturers and subsidiaries that need short- term financing; and engage in capital lending due to the necessity of financing.

(3) Endorsement guarantees for others

In 2025 and as of the date of publication of the annual report, the Group has endorsed guarantees for others. In 2025 and as of the date of publication of the annual reports, the parent company has endorsed and guaranteed the investee companies evaluated by the equity method as approved by the board of directors.

(4) Engaging in Derivative Commodities Transactions

All derivative commodity transactions engaged in by the Group are executed in strict accordance with the Company's established regulations. The parent company's policy for derivative commodity transactions is strictly limited to hedging purposes. Looking forward, the parent company will continue to moderately engage in forward foreign exchange contracts, options, and futures for hedging purposes, taking into overall consideration the stock and flow of foreign exchange positions, raw material procurement requirements, and bank analytical reports. This strategy aims to mitigate the impacts of foreign exchange rate and raw material price fluctuations. The subsidiaries do not engage in any derivative commodity transactions.

The Group’s capital lending to others and endorsement guarantees are managed in accordance with the policies and corresponding measures set by the parent company’s “Funds Lending and Endorsement and Guarantee Procedures” and the parent company’s subsidiary “Funds Lending to Others and Endorsements and Guarantee Procedures.” In the future, it will still strictly follow the relevant regulations to protect the best interests of the company.

5.6.3 Future R&D plans and estimated R&D expenses

The Company is planning a strategic transition from traditional laptop/tablet hinges to venture into three major newly-contested arenas: automotive electronics (in-vehicle entertainment), smart wearables, and high-value consumer products.

1. Automotive Electronic Control:
   The development of "wirelessly-controlled motorized overhead screens" and "linkage transmission" mechanisms indicates that the Company is targeting the luxury cabin or recreational vehicle (RV) markets. Automotive-grade (AEC) requirements for vibration resistance, acoustic silence, and environmental weatherability are fundamentally distinct from those of standard consumer electronics.
2. Mechanism Automation:
   "Motorized synchronized expansion" elevates the folding of flexible displays to the level of "automated unfolding," a capability that commands a substantial technological premium in flagship products.
3. Modularization and Quick-Release:
   The application of "quick-release designs" to hinges and PC/POS stands reflects market demand for maintenance convenience and highly efficient assembly.
4. Extreme Miniaturization:
   "Foldable smartwatch displays and AR/XR applications" represent exceptionally high-difficulty challenges. Achieving the bending of flexible screens within highly confined spaces poses a tremendous test to the fatigue limits of materials.

It is estimated that about NT$106,000 thousand will be invested in research and development related to manpower, time and equipment in 2026.

Recent annual R&D plan	Current progress	Estimated amount of R&D expenses	Estimated time to complete mass production	The main factors affecting the success of R&D in the future
Research and Development of Electronically Controlled Storage Box Hinges with Damped Slow-Motion and Quick-Release Designs	Design verification in progress	21,000 thousand	December 2026	Mechanism Design, Electronic Control Design, and Mechatronics Integration Technology
Research and Development of Electronically Controlled Three-Axis Rotational Central Control Screen Hinges for Automotive Applications	Mold opening and verification in progress	22,000 thousand	December 2026	Three-Axis Rotational Mechanism Design, Electronic Control Software and Firmware Technology, Motor and Gearbox Design, and Mechatronics Integration Technology
Research and Development of Portable Foldable and Extensible Displays	Mold opening and verification in progress	20,000 thousand	December 2026	Mechanism Design and Manufacturing Process Technology
Research and Development of Motorized Synchronized-Expansion Hinges for Flexible Displays	Mold opening and verification in progress	12,000 thousand	December 2026	Mechanism Design, Electronic Control Design, and Mechatronics Integration Technology
Research and Development of Screen Open/Close Interlocking Curved-to-Flat Mechanisms	Design verification in progress	20,000 thousand	December 2026	Mechanism Design, Electronic Control Design, and Mechatronics Integration Technology
Research and Development of Quick-Release Stands for PC/POS Systems	Mold opening and verification in progress	11,000 thousand	December 2026	Mechanism Design and Manufacturing Process Technology

5.6.4 The impact of important domestic and foreign policies and legal changes on the company’s financial business and countermeasures

The company and its subsidiaries conduct various operations in accordance with relevant laws and regulations and pay attention to changes in important policies and regulations at home and abroad at any time to adjust business policies appropriately. Therefore, important policy and legal changes have not had a significant impact on the Company's financial business.

5.6.5 The impact of technological changes (including information security risks) and industrial changes on the company's financial business and countermeasures

The company regularly invests funds related to data communication security every year to ensure that the company's operations are built under a protective framework; it also actively encourages innovation and research, applies for patents on new products and technologies and establishes a comprehensive patent intelligence protection network. In the future, it will also cooperate with market trends and Research and development according to customer needs. Therefore, technological changes and industrial changes have not had a significant impact on the financial business of the Company. For the information security risk management and countermeasures, please refer to this annual report No. 5, Operation Overview No. 6: Information Security Management,.

5.6.6 The impact of corporate image change on corporate crisis management and countermeasures

Since its establishment, the company has always adhered to the principles of professional and honest sustainable operation and there are no relevant reports in the market that are unfavorable to the company's corporate image. Therefore, there is no incident of corporate crisis management caused by changes in corporate image.

5.6.7 Expected benefits, risks and countermeasures of M&A

As of the publication date of the annual report, the company has no plans to acquire other companies.

5.6.8 Expected benefits, risks and countermeasures of plant expansion

As of the publication date of this annual report, the Company has no plans for plant expansion.

5.6.9 Risks faced by purchase or concentration of sales and countermeasures

(1) Purchase concentration risk assessment and countermeasures

The company has no suppliers that account for more than 10% of the total purchases. The main raw materials purchased are male and female shafts, mandrels, castings, iron sheets, copper sheets, gaskets, shrapnel, sleeves, screws, nuts and metal powder injection. Each raw material has more than two suppliers as a response and establishes long-term cooperative partnership with suppliers and the supply quality is stable.

(2) Sales concentration risk assessment and countermeasures

The company's main sales customers are domestic and foreign well-known system factories and has established a good reputation among customers and the market share has also maintained a certain level. In recent years, the company has made major breakthroughs in the technology of folding mobile phone hinges, which has also contributed significantly to revenue. In the future, the company will continue to develop new products and actively expand different customer groups to reduce the risk of sales concentration. Customers who accounted for more than 10% of net sales in the last two years, please refer to this annual report No. 5, Operation Overview II: Market, Production and Sales Overview. .

5.6.10 Directors, supervisors or major shareholders holding more than 10% of the shares, the impact, risks and countermeasures of large-scale transfer or replacement of shares on the company

The major shareholders of the company are quite optimistic about the company's prospects, but each shareholder has different considerations for their own investment and financial planning. Based on the needs of safeguarding the company's interests and stabilizing the confidence of the public, the major shareholders must transfer equity. After full communication with the board of directors and the management team, increase investment or transfer through appropriate channels. Therefore, the impact on the Company is quite limited. In addition, to meet the policy requirements of the competent authority and hope that the company's operation and management can be sounder, to make the company's board structure more in line with the spirit of corporate governance, the company's director and supervisor structure has been adjusted slightly. In 2018 The establishment of an audit committee to replace the supervisory powers makes the operation of the board of directors of the company more independent, which is of positive benefit to the company.

5.6.11 The impact, risks and countermeasures of the change of management rights on the company

Company's equity is concentrated in the chairman of the board and other directors and managers. Therefore, the management class has a powerful sense of mission to the company and regards the company's management as a lifelong job. In addition, employees agree with the company's development direction and are willing to Holding the company's stock for a long time and growing together with the company, the company will continue to uphold the stable business philosophy and good management ethics to create the growth of the company's operations and profits and strive for the approval of all shareholders for the management team. To sum up, the Company should have no risk of changes in management rights due to substantial transfer or replacement of equity interests.

5.6.12 The company and its directors, supervisors, general managers, substantive persons in charge, major shareholders holding more than 10% of the shares and subordinate companies have decided or are still in the process of major litigation, non- litigation or administrative disputes If the outcome of a lawsuit may have a significant impact on shareholders' rights and interests or securities prices, the facts at issue, the amount of the subject matter, the start date of the lawsuit, the main parties involved and the handling as of the date of publication of the annual report: None.

5.6.13 Other important risks and countermeasures

For the information security risk management and countermeasures, please refer to this annual report No. 5, Operation Overview No. 6: Information Security Management, page.

5.7 Other Important Matters: None

6 Special Disclosure

6.1 Summary of Affiliated Companies

Please refer to the Market Observation Post System (MOPS) at https://mops.twse.com.tw > Single Company > Electronic Document Download > Affiliated Enterprise Reports, then enter company code 3548 to search for relevant affiliated enterprise data.

6.2 Private Placement Securities in the Most Recent Years: None

6.3 Other Important Notes:

6.3.1 Unfinished OTC commitments: None

6.3.2 Evaluation basis and basis for the method of listing assets and liabilities evaluation items in the financial statements:

Subjects	Evaluation
Allowance for doubtful debts	Accounts that are not overdue - 0%-15% for those overdue for 90 days. For overdue accounts for more than 90 days, the withdrawal rate is 30%-100%.
Allowance for sluggish loss of inventories	Raw material warehouse is sluggish for 181-365 days and 50% is listed. excellent product warehouse for more than 365 days. 80% of defective warehouses will be recognize and 100% of scrapped and sluggish warehouses will be recognize. semi-finished product Sluggish 91-180 days lift 30%. Sluggish 181-365 days lift 50%. 100% withdrawal over 365 days. 80% of defective warehouses will be recognize and 100% of scrapped and sluggish warehouses will be recognize. finished product Sluggish 181-365 days lift 100%. 100% withdrawal over 365 days. 80% of defective warehouses will be recognize and 100% of scrapped and sluggish warehouses will be recognize.

6.4 **In the Most Recent Year and as of the Date of Publication of the Annual Report, any Event Specified in Subparagraph 2, Paragraph 3, Article 36 of this Act has Occurred that has a Significant Impact on Shareholders' Rights and Interests or the Price of Securities:**