Stock Code: 5450

南良國際股份有限公司
NAM LIONG GLOBAL CORPORATION

2025 Annual Report

(Translation)

Website for inquiry at
Company Website: http://www.namliong-global.com
MOPS: http://mops.twse.com.tw
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1. **The Spokesperson and the Deputy Spokesperson:**
   - Spokesperson: Pai, Ching-Jen
     Vice General Manager of Finance
     Tel: +886-2-2659-1588
     E-mail: namliong_public@namliong-global.com
   - Deputy Spokesperson: Su, Meng-Hsu
     Accounting Manager
     Tel: +886-2-2659-1588
     E-mail: namliong_public@namliong-global.com

2. **Headquarter, Branches and Plant:**
   - Headquarter:
     6F., No. 349, Yangguang St., Neihu Dist., Taipei City 114715, Taiwan (R.O.C.)
     Tel: +886-2-2659-1588
   - Tainan Branch, Main Plant:
     No. 10, Ln. 41, Zhouwei St., Yongkang Dist., Tainan City 710004, Taiwan (R.O.C.)
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     No. 127, Zhengbei 5th Rd., Yongkang Dist., Tainan City 710002, Taiwan (R.O.C.)
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   - Dong He Plant:
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3. **Stock Affairs Department:**
   IBF Securities Co., Ltd.
   15 F., No. 188, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei City 105411, Taiwan (R.O.C.)
   Website: http://www.ibfs.com.tw
   Tel: +886-2-2528-8988

4. **Auditors**
   Deloitte & Touche
   Chang, Cheng-Hsiu and Huang,Hsiu-Chun
   20F., No. 100, Songren Rd., Xinyi Dist., Taipei City 110016, Taiwan (R.O.C.)
   Website: www.deloitte.com.tw
   Tel: +886-2-2725-9988

5. **Name of exchanges in foreign countries where The Company is listed for securities trade and themeans of access to information on overseas securities:** None.

6. **Company Website:** http://www.namliong-global.com

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I. Letter to the Shareholders

Dear shareholders

Under the impact of uncertainty in US tariff policies, compounded by international geopolitical conflicts, inflation, and fluctuating interest rates, procurement paces in end markets have turned conservative. Consequently, The Company's domestic and overseas revenue performance experienced a decline compared to the previous year. In the face of high external market uncertainty, The Company adheres to the strategy of 'agile response and continuous innovation.' We will continue to leverage our strengths in multi-application composite materials to deepen relationships with existing client bases and expand into new markets. Simultaneously, by advancing sustainable and digital management, The Company aims to enhance operational resilience and overall competitiveness.

Below is the report on the 2025 business results and 2026 business plans:

1. 2025 Business Report

(1). 2025 Business Achievement Report

A. Income and expenses:

a. The net operating revenue in 2025 was NT$1,486,135 thousand, an decrease of NT$194,874 thousand, compared to the net operating revenue in 2024 of NT$1,681,009 thousand. The consolidated net revenues in 2025 was NT$2,430,036 thousand, an decrease of NT$239,045 thousand, compared to the consolidated net revenues in 2024 of NT$2,669,081 thousand.

b. The cost of revenue in 2025 was NT$1,127,019 thousand, which was 75.84% of the net operating revenue. The consolidated cost of revenue in 2025 was NT$1,817,808 thousand, which was 74.81% of the consolidated net operating revenue.

c. The operating expenses in 2025 was NT$347,189 thousand, which was 23.36% of the net operating revenue. The consolidated operating expenses in 2025 was NT$567,198 thousand, which was 23.34% of the consolidated net operating revenue.

B. Net profit

a. The net income in 2025 was NT$26,695 thousand. The earnings per share (EPS) was NT$0.22.

b. The consolidated net income in 2025 was NT$26,695 thousand. The earnings per share (EPS) was NT$0.22.

(2). Report on Budget Implementation

Not applicable, The Company has not prepared a financial forecast for 2025.

(3). Analysis of Financial Balance and Profitability

Unit: NT$; %

Item	Ratio
Return on Assets (ROA)	1.25
Return on Equity (ROE)	1.48
Profit Before Tax to Capital Stock	4.30
Net profit margin	1.09
Basic earnings per share	0.22

(4). Research and Development Status

The consolidated research and development expense in 2025 was NT$67,361 thousand, which was 2.77%of the consolidated net operating revenue.

<u>**Textile Composites**</u>

A. In 2025, the business layout and development of the Eco-Family product line progressively yielded substantive benefits. Driven by materials and products built upon the three pillars of Reduce, Replace, and Recycle, and backed by strong recognition from major brands and consumers, its 2025 revenue achieved a growth of over 35% compared to 2024, and continues to rise. In the polymer sector (including polymer foam and specialty film products) as well as the textile sector (including hook-and-loop fasteners and specialty textiles) the integration of bio-based material substitution and recycled material applications has steadily gained brand approval and customer recognition, laying a solid foundation for future growth.

B. To implement sustainable low-carbon development, we continue to promote environmentally friendly manufacturing solutions, including low-solvent processes, solvent-free processes, water-based eco-friendly processes, and waterless dyeing techniques using solution-dyed nylon fabrics. These innovations significantly reduce raw material consumption, VOC emissions, and water usage. In terms of bio-based material applications, we utilize bio-based TPU films, bio-based rubber sponges, bio-based thermoplastic sponges, green symbiotic resin pellets, and bio-based antimicrobial protective garments. These efforts align with brand sustainability requirements while enhancing the competitiveness of our products.

C. In support of Global Recycled Standard (GRS) product promotion, our initiatives include in-house recycling and reuse technologies, eco-friendly recycled yarns, recyclable mono-materials, the use of recycled content, and PET coating technologies combined with polyester fabrics. These efforts are aligned with The Company's sustainability roadmap, continuously advancing carbon reduction, carbon footprint management, thereby laying a solid foundation and carbon inventory projects for expansion into new niche markets.

Chemical Product

A. Continuously increasing partnerships with advanced development suppliers enables the introduction of novel and unique products, aligning with current market trends centered around environmental protection, energy efficiency, sustainability, and natural materials. Emphasizing environmentally certified products ensures fulfillment of customer and market demands

B. To enhance The Company's reputation in various industries, we have proactively introduced antimicrobial plastic materials that cater to more customers and generate higher profits in non-textile business segments.

Electronic Product

A. In the field of Residual Current Devices (RCDs), The Company continues to deepen its presence in the green home appliance market. A new protector specifically developed for solar water heaters completed its design phase and sample delivery in the fourth quarter of 2025. This product has successfully passed functional testing in Japan and is currently undergoing environmental durability validation. Featuring an advanced 'Electronic Reset' design that replaces traditional mechanical structures, the product significantly enhances operational convenience. To strengthen our intellectual property portfolio, we have concurrently filed for invention patents in Japan, China, and Taiwan.

B. In the power supply unit (PSU) segment, The Company has implemented a strategy of technical upgrades and market repositioning. Addressing the health-tech market, we have entered a strategic partnership with Johnson Health Tech. Co., Ltd. (Johnson Health Tech), a global leader in fitness equipment, to co-develop external power solutions. By standardizing specifications, we have optimized heat dissipation efficiency and shortened lead times; these products are currently in the testing phase with a priority rollout planned for the North American market. Furthermore, our power solutions for high-end LCD applications have secured U.S. safety certifications. The Company will flexibly adjust its order-taking strategy in response to the evolving U.S.-China tariff landscape. Regarding global environmental trends, our next-generation low-energy standard products have entered Electromagnetic Compatibility (EMC) testing to ensure compliance with the latest energy regulations and high-stability requirements.

2.2026 Business Plan for Production and Sales

(1). Operations Strategy

While the 2026 fiscal year may still face external influences such as geopolitical risks and reciprocal U.S. tariff policies, their impact is gradually moderating. Looking ahead to 2026, The Company expects to see a recovery in operations and steady growth compared to 2025. To navigate rapidly shifting business challenges and risks, we have adopted 'Four Pillars and One Core' as our central strategy for transformation and optimization. Beyond our long-standing initiatives in green and smart manufacturing, we will place particular emphasis on 'Innovation & High-Value Addition' and the development of 'New Frontiers' (New Market Applications). These two focus areas will serve as critical engines for driving revenue and net profit growth. Furthermore, recognizing that the precision of internal controls directly impacts margins, we will continue to vigorously promote lean management to enhance operational resilience and create sustainable growth.

Textile Composites

A. **Pillar I: Green Strategy** – A Dual-Pronged Approach

a. Carbon Management and ESG Compliance: As energy conservation and carbon reduction remain pivotal global trends, The Company is actively conducting Organizational Carbon Footprints and Product Carbon Footprints (PCF). By adhering to SASB (Sustainability Accounting Standards Board) indicators, we ensure our operations not only meet but exceed market regulatory thresholds, thereby consolidating our long-term competitive advantage.

b. Innovation in Sustainable Materials: We continue to drive innovation in bio-based and eco-friendly recycled products. Guided by the '3R' principles (Replace, Recycle, Reduce), we are aligning the development of our Eco-Family series with the evolving demands of international clients. Furthermore, we are intensifying our 'Green Marketing' efforts through our Sustainability Reports and official website to expand our market reach and enhance the revenue and profit margins of our green product portfolio.

B. **Pillar II: Innovation and High-Value Addition**

We are transforming our business divisions to focus on high-growth, high-margin sectors through effective resource synergy. Our strategic expansion targets the Electronics, Medical, Aerospace, AI, and Defense sectors—industries characterized by technical rigor and significant value potential. Our priority is to deliver technologically advanced, differentiated products that meet the highest quality benchmarks, allowing us to solidify partnerships with critical clients and capture new market opportunities. By standardizing and replicating our successful product-service models, we are building a scalable framework for sustainable growth and market leadership.

C. **Pillar III: Smart Manufacturing and High-Efficiency Cost Reduction**

Centering on smart manufacturing, The Company integrates lean management with AI applications to drive the digital transformation of production control. Our goal is to enhance product quality, production stability, and operational efficiency while accelerating decision-making and reducing manufacturing losses. By implementing AI-driven analysis and decision-support mechanisms for process optimization, we mitigate the risks associated with human error and improve real-time information transparency. Furthermore, we are actively leveraging government subsidies and resources to accelerate the implementation of digital solutions, ultimately achieving structural cost reductions and maximizing overall productivity.

D. Pillar IV: Exploring New Frontiers (Targeting New Growth Sectors)

Moving beyond established market boundaries, we are capitalizing on the immense momentum of Taiwan's high-tech industry to address emerging demands in Semiconductors, AI, Robotics, and Drones. Our proactive positioning is designed to unlock new global markets and applications, creating a powerful engine for our next phase of expansion. Through a rigorous evaluation of emerging trends, we identify and invest in high-potential sectors with a disciplined, phased approach. By integrating our core strengths in eco-friendly and high-performance composite materials, we deliver unique material solutions that empower our brand partners and solidify our competitive edge.

E. Core Foundation of the Four Strategic Pillars: Rigorous Implementation of Internal Control Systems

At the core of our strategy is the rigorous execution of our internal control systems. We are advancing our operational precision through the standardization of management cycles and the digitalization of our processes. This focus improves data transparency and our ability to monitor operations in real-time, bolstering our risk-prevention and active-control frameworks to stabilize business performance. To ensure consistent management, we strictly enforce a fair system of accountability and have implemented real-time anomaly reporting and tracking. Through these measures, we aim to increase management transparency and ensure that our operational goals are met with the highest level of consistency.

<u>Chemical Product</u>

A. As clients gradually move their production bases overseas and increasingly prefer local delivery as an alternative, the domestic market is facing a declining demand. Therefore, The Company needs to strengthen its export capabilities and retain customers to meet market demand.

B. Facing the industry-wide decline in domestic textile production caused by cost and labor headwinds, we are diversifying our customer base beyond the textile sector to drive growth. We have identified Home Furnishings, Furniture, and Food Storage as key target industries for our functional additive solutions. By capitalizing on our established position within the supply chains of large-scale domestic enterprises, we will accelerate the promotion of these specialized products, transforming this cross-sector expansion into a vital driver for our future performance.

Electronic Product

The Company views the consolidation of existing client relationships as its cornerstone while continuing to drive the core strategy of 'Power Solutions.' By integrating cross-departmental R&D, validation, regulatory expertise, and high-efficiency project management, The Company transforms its extensive industry experience into comprehensive solutions with robust intellectual capital. These offerings provide clients with high-value choices that comply with next-generation energy efficiency regulations.

Looking ahead, The Company will adhere to a 'technology-service-oriented' high-margin business model to ensure sustained and stable order growth. Simultaneously, through active strategic collaborations with industry peers, The Company aims to shorten design-to-market cycles and reduce production costs. By maintaining an agile and efficient operational layout, The Company will accelerate its market expansion and enhance overall corporate profitability.

(2). Estimated Number of Items Sold

Items	Estimated Number of Items Sold
Textile Composites (Note 1)	173,775,000
Chemical Product (Note 2)	387,000
Electronic Product (Note 3)	1,518,500

Note 1: The product units are PCS, BAG, M and YDS.

Note 2: The product unit is KG.

Note 3: The product unit is PCS.

(3). Key Sales and Marketing Policies

A. Continuing Alignment with Sustainability Trends

Following the international sustainability indicators SASB-Apparel, Accessories, and Footwear for the textile, apparel, and footwear industries, we manage key indicators and continuously develop green materials research and explore green supply chains.

B. Actively expanding revenue scale

Continuously optimizing the promotion tools for green marketing, integrating planning with international green certifications, and combining the value chains upstream and downstream to provide customers with comprehensive solutions for developing trend demands.

C. Strengthening Sustainable Operational Advantages

Through digitized management, we leverage the complementary operational benefits between Taiwan and overseas bases, refine quality management, enhance production efficiency, strengthen the sustainable inheritance of talents and achieving core competitiveness through the enhancement of key advantages.

3.Company Development Strategies

(1). Enhancing innovative research and development to boost core competitiveness continuously

Focusing on the development of composite materials for Taiwan's competitive industries (including Electronics, AI, Robotics, and UAVs) with an emphasis on high-value, differentiated, and new applications. The research and development strategy is centered on three primary pillars: Sustainability (circular materials), Lightweight, and High performance and/with intelligence. Through systematic product lines and diversified service models, the objective is to enhance overall core competitiveness.

(2). Upgrade digital technology to provide real-time and precise management

Executing comprehensive digital technology upgrades to enable real-time, precision decision-making for global management. Key initiatives include the continuous enhancement of the Management War Room, the implementation of MES (Manufacturing Execution System), optimization of production scheduling, precision marketing management, and the full digitalization of official documents to improve administrative efficiency. Simultaneously, The Company will continue to strengthen information security risk management, maintaining robust data security under the ISO 27001 framework.

(3). Implement sustainable management with talent sustainability planning

In response to the demands of the New Southbound expansion into Southeast Asia and the penetration into new industrial applications, we are building a multi-national talent pool, strengthening our skills management systems, and continuously investing in diversified training programs to enhance employee capabilities. Simultaneously, a talent sustainability and succession plan has been launched to ensure a robust talent reserve. These initiatives not only support sustainable development but also enable The Company to effectively respond to shifting market demands and emerging technological trends.

(4). Proactively manage risks and build a strong control mechanism

In accordance with the TCFD framework for climate-related financial disclosures, we aim to understand both the actual and potential climate risks and opportunities, identify and assess their materiality and significance, and formulate various risk prevention, mitigation, and adaptation strategies. This is to enhance our risk management mechanisms, ensuring swift and effective responses to various challenges as they arise.

4.Impacts on Competitive, Legal and General Environment

(1). Mitigating Risks of Geopolitical Uncertainty and Tariff Lag Effects Through Market Diversification and Tri-Regional Fulfillment

In response to geopolitical uncertainties and US-China trade issues, The Company has adopted a proactive strategy. By leveraging a diversified market presence (currently supported by multiple distributors and agents across more than 73 countries) we mitigate risks through a tri-regional fulfillment model spanning Taiwan, China, and Vietnam. The Company remains focused on multi-sector development, including Safety & Protection, Outdoor Leisure & Sports, Medical & Healthcare, Defense & Military, Home Textiles, Automotive Materials, and Bedding. Maintaining competitive advantages across these diverse sectors enhances The Company's resilience and flexibility, enabling us to adapt to uncertain environmental changes and ensure stable revenue performance.

(2). In response to the issue of climate change and actively invest in green and renewable materials research

The year 2025 marks the tenth anniversary of the Paris Agreement, with new research indicating that the historical correlation between GDP growth and rising emissions is beginning to weaken. An increasing number of nations are achieving sustained economic growth while significantly reducing carbon dioxide emissions. In alignment with the pivotal discussions at COP 28, The Company is dedicated to actively phasing out fossil fuels.Since 2020, The Company has successfully replaced heavy oil steam boilers with natural gas steam boilers, thereby reducing carbon emissions. Simultaneously, it continues research and development on green and recycled materials under the Eco-Family initiative, reducing reliance on petroleum and actively engaging in the recycling and reuse of waste, not only contributing to environmental protection but also keeping pace with trends in the international business environment, enhancing The Company's sustainability competitiveness.

We are grateful for the continued support and encouragement from each shareholder. We look forward to further growing the business with you.

2026 Annual Shareholders' Meeting

Warm regards,

NAM LIONG GLOBAL CORPORATION
Chairman: Shao, Ten-Po

II. Corporate Governance

1. Information on the director, general manager, vice general manager, senior manager, heads of divisions and branches

(1). Profiles of director

Director (1)

April 30, 2026

Title	Nationality or place of incorporation	Name	Gender Age	Date elected	Term (Years)	Date first elected	Shares held when elected		Shares currently held		Spouse & minor shareholding		Shareholding by nominee arrangement		Education and important experience	Selected current Position at NL and Other companies	Executives or Directors who are spouses or within two degrees of kinship			Rem-arks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	ZI LIONG ENTERPRISE CO., LTD.	-	June 26, 2025	3	March 5, 2010	88,221,501	72.07	88,221,501	72.07	-	-	-	-	-	-	-	-	-	-
Chairman	R.O.C.	Representative: Shao, Ten-Po	Male 71~80	June 26, 2025	3	June 24, 2013	-	-	-	-	-	-	-	-	• Honorary doctorate of National Chiayi University • Honorary doctorate of Chaoyang University of Technology	• NL: Chairman • Other companies: Note 2	Director	Hsiao, Chung-Hu	Brother	-
																	Director	Hsiao, Yu-Chiao	Father/ Daughter	
Director	R.O.C.	ZI LIONG ENTERPRISE CO., LTD.	-	June 26, 2025	3	March 5, 2010	88,221,501	72.07	88,221,501	72.07	-	-	-	-	-	-	-	-	-	-
Director	R.O.C.	Representative: Hsiao, Chung-Hu	Male 71~80	June 26, 2025	3	March 5, 2010	-	-	-	-	-	-	-	-	• EMBA MA, Asia Management College	• NL: None • Other companies: Note 3	Chairman	Shao, Ten-Po	Brother	-

April 30, 2026

Title	Nationality or place of incorporation	Name	Gender Age	Date elected	Term (Years)	Date first elected	Shares held when elected		Shares currently held		Spouse & minor shareholding		Shareholding by nominee arrangement		Education and important experience	Selected current Position at NL and Other companies	Executives or Directors who are spouses or within two degrees of kinship			Rem-arks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Pai, Ching-Jen	Male 51~60	June 26, 2025	3	March 5, 2010	-	-	-	-	-	-	-	-	• Graduate Institute of Finance MA, National Cheng Kung University • Executive Senior Manager, NL	• NL: Vice General Manager of Finance & Chief Financial Officer • Other companies: Note 4	-	-	-	-
Director	R.O.C.	Hsiao, Yu-Chiao	Female 41~50	June 26, 2025	3	June 24, 2013	-	-	-	-	-	-	-	-	• Pacific Lutheran University General Business Administration • Business Office Lead, DONGGUAN PROPRENE SPORTING GOODS CO.,LTD • Operation Director, Xu Tai Sports Bag Co., Ltd.	• NL: senior manager • Other companies: Note 5	Chairman	Shao, Ten-Po	Father/ Daughter	-

April 30, 2026

Title	Nationality or place of incorporation	Name	Gender Age	Date elected	Term (Years)	Date first elected	Shares held when elected		Shares currently held		Spouse & minor shareholding		Shareholding by nominee arrangement		Education and important experience	Selected current Position at NL and Other companies	Executives or Directors who are spouses or within two degrees of kinship			Rem-arks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	EVER DEVELOPMENT INVESTMENT CO., LTD.	-	June 26, 2025	3	June 20, 2016	1,357,760	1.11	1,357,760	1.11	-	-	-	-	-	-	-	-	-	-
Director	R.O.C.	Representative: Wang, Shih-Ting	Female 41~50	June 26, 2025	3	June 23, 2022	-	-	-	-	-	-	-	-	• Business Management MA, National Cheng Kung University • Senior Manager, NL	• NL: Executive Senior Manager • Other companies: Note 6	-	-	-	-
Independent Director	R.O.C.	Huang, Chung-Hui	Male 61~70	June 26, 2025	3	June 20, 2016	-	-	-	-	-	-	-	-	• EMBA, National Cheng Kung University • CPA, Ernst & Young Global Limited • Contractor specialist professor, Southern Taiwan University of Science and Technology • Contractor instructor, National Cheng Kung University	• NL: None • Other companies: Note 7	-	-	-	-

April 30, 2026

Title	Nationality or place of incorporation	Name	Gender Age	Date elected	Term (Years)	Date first elected	Shares held when elected		Shares currently held		Spouse & minor shareholding		Shareholding by nominee arrangement		Education and important experience	Selected current Position at NL and Other companies	Executives or Directors who are spouses or within two degrees of kinship			Rem-arks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Huang, Wen-Ming	Male 71~80	June 26, 2025	3	June 25, 2019	-	-	-	-	-	-	-	-	• EMBA, National Cheng Kung University • Manager, Taiwan Bank	• NL: None • Other companies: None	-	-	-	-
Independent Director	R.O.C.	Tsao, Ching-Ming	Male 61~70	June 26, 2025	3	June 23, 2022	-	-	-	-	-	-	-	-	• EMBA, National Cheng Kung University • Financial Manager, FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. • Audit Lead, Ernst & Young Global Limited	• NL: None • Other companies: Note 8	-	-	-	-
Independent Director	R.O.C.	Chiu, Li-Yin	Female 51~60	June 26, 2025	3	June 26, 2025	-	-	-	-	-	-	-	-	• Master of Science in Finance, College of Management, Ming Chuan University • Senior Manager, Fubon Securities Co., Ltd. • Senior Manager, Jih Sun Securities Co., Ltd.	• NL: None • Other companies: Note 9	-	-	-	-

Note 1: If the Chairman and General Manager or a person of equivalent position (top manager) are the same person, spouse or first-degree relative, the reasons, rationality, necessity and corresponding measures (such as increasing the number of Independent Directors and ensuring that more than half of the Directors are not concurrently employees or managers) should be stated in the remarks column: None.

Note 2: Chairman, U-LONG HIGH-TECH TEXTILE CO., LTD., Chairman, UNION LINE TEXTILE CO., LTD., Chairman, Skycosmos Sport and outdoor products Ltd., Chairman, TIONG LIONG INDUSTRIAL CO., LTD., Chairman, DECORTEC HOLDING CO., LTD., Chairman, TIEN JIANG ENTERPRISE CO., LTD., Chairman, HONG LIONG TEXTILE CO., LTD., Chairman, Bi Hai Entertainment Co., Ltd., Chairman, EVER THRIVING INTERNATIONAL INVESTMENT CO., LTD., Chairman, EVER DEVELOPMENT INVESTMENT CO., LTD., Chairman, JSM Agricultural Development Co., Ltd., Chairman, Gu Hong Investment CO., LTD., Chairman, ZI LIONG ENTERPRISE CO., LTD., Chairman, Gu Yi Investment CO., LTD., Chairman, Shi Jin Culture and Art Co., Ltd., Chairman, Jiafeng Maoliang Investment Co., Ltd., Chairman, Quanye Kangyang Development Co., Ltd., Chairman, Liongtex Innovation Enterprises Co., Ltd., Chairman, Qi Hong Investment CO., LTD., Chairman, Zhi-Jun Transportation Co., Ltd., Chairman (Corporate Representative), HONG LI TEXTILE CO., LTD., Chairman (Corporate Representative), TrueLove Aquatic Solar Power Co., Ltd., Chairman (Corporate Representative), TrueLove Farm and Aquatic Solar Power Co., Ltd., Chairman (Corporate Representative), Tian Mao Investment Holding Co., Ltd., Chairman (Corporate Representative), GREENRAY BIOMEDICAL CO., LTD., Chairman (Corporate Representative), AGRO-GREEN INTERNATIONAL CO., LTD., Chairman (Corporate Representative), TrueLove Solar Power Co., Ltd., Chairman (Corporate Representative), SICOM ENTERPRISE CO., LTD., Legal representative, Winning Industrial Co.,Ltd., Director, GREAT & MAGNIFICENT CO., LTD., Director, Universal Mean Great Health Technology Co., Ltd., Director, E-LIONG GREEN ENGINEERING TECHNOLOGY CO., LTD., Director (Corporate Representative), DECORTEC CO., LTD., Director (Corporate Representative), Heng Ding Biotechnology Co., Ltd., Director (Corporate Representative), Yuan Yun Food Co., Ltd., Director (Corporate Representative), Chia Yuan BioTech Co., Ltd., Director (Corporate Representative), GREENRAYS INTERNATIONAL CO., LTD., Supervisor (Corporate Representative), Fuqing Hong Liong Textile Technology Co., Ltd., Director, HONG LIONG TEXTILE CO., LTD. (Hong Kong), GDirector, GREAT FORTUNE HOLDING Co., Ltd., Director, Sino Max International Holding Co., Ltd., Director, GreatHealth Industry Development Co., Ltd., Director, Sino Max International (Cayman) Corporation, Director, SINO CHAMPION LIMITED (Cayman).

Note 3: Chairman, Xin Yan Investment CO., LTD., Chairman (Corporate Representative), ELEMENTECH INTERNATIONAL CO., LTD., Chairman (Corporate Representative), DECORTEC CO., LTD., Chairman (Corporate Representative), GREENCHEM INTERNATIONAL CO., LTD., Legal representative, Zhongshan Tiongliong Tech-textile Technology Co., Ltd., Director, TIONG LIONG INDUSTRIAL CO., LTD., Director, ZI LIONG ENTERPRISE CO., LTD., Director, U-LONG HIGH-TECH TEXTILE CO., LTD., Director, UNION LINE TEXTILE CO., LTD., Director, Blue Coast Entertainment Co., Ltd., Director (Corporate Representative), ETERNALCARE BUSINESS LTD., Director (Corporate Representative), Jiafeng Maoliang Investment Co., Ltd., Supervisor, TIEN JIANG ENTERPRISE CO., LTD., Supervisor, DECORTEC HOLDING CO., LTD., Supervisor, EVER THRIVING INTERNATIONAL INVESTMENT CO., LTD., Supervisor, EVER DEVELOPMENT INVESTMENT CO., LTD., Supervisor, Gu Hong Investment CO., LTD., Supervisor, Gu Yi Investment CO., LTD., Supervisor, HONG LIONG TEXTILE CO., LTD., Supervisor(Corporate Representative), AGRO-GREEN INTERNATIONAL CO., LTD., Supervisor(Corporate Representative), Liongtex Innovation Enterprises Co., Ltd., Director (Corporate Representative), Shanghai Huiliang Textile Accessories Co., Ltd., Director (Corporate Representative), Vietnam Zhongju Industrial Co., Ltd., Director (Corporate Representative), Vietnam Tronjen Industrial Co., Ltd., Chairman, PT TJONG CHUN INTERNATIONAL, Director, TA HSIN COMPANY LIMITED (Hong Kong), Director, Tiong Liong Holdings (Hong Kong) Co., Ltd., Director, Precise Asia Holdings Ltd., Director, Realpro Holdings Ltd., Director, First Win Group Ltd., Director, Global Strategy Investment Limited.

Note 4: Chairman, EARS MANAGEMENT & CONSULTANT COMPANY, Chairman (Corporate Representative), ETERNALCARE BIOTECH INC., Director, E-LIONG GREEN ENGINEERING TECHNOLOGY CO., LTD., Director, JSM Agricultural Development Co., Ltd., Director, YOHO BEACH RESORT CO., LTD., Director, TrueLove Energy Storage Tech, INC., Director, Sheng Yang Fishery Co., Ltd., Director(Corporate Representative), ELEMENTECH INTERNATIONAL CO., LTD., Supervisor, ETERNALCARE BUSINESS LTD., Supervisor, Quanye Kangyang Development Co., Ltd., Supervisor, Universal Mean Great Health Technology Co., Ltd., Supervisor, CHENG LIANG INVESTMENT CO., LTD., Supervisors (Corporate Representative), GREENCHEM INTERNATIONAL CO., LTD., Supervisor (Corporate Representative), GREENRAY BIOMEDICAL CO., LTD., Supervisor (Corporate Representative), Jiafeng Maoliang Investment Co., Ltd., Supervisor (Corporate Representative), GREENRAYS INTERNATIONAL CO., LTD., Director (Corporate Representative), DONG GUAN NAM GUANG RUBBER&PLASTIC MANUFACTURES CO., LTD., Director (Corporate Representative), DONG GUAN NAMDE RUBBER&PLASTIC MANUFACTURES CO., LTD., Supervisors (Corporate Representative), DONG GUAN NAMLIONG RUBBER MANUFACTURES CO., LTD., Director, SHAO EN ENERGY PTE. LTD. , Director, TA HSIN COMPANY LIMITED (Hong Kong), Director, JIN LIAMY ENTERPRISE COMPANY LIMITED (Hong Kong) Director, CROWN DREAM DEVELOPMENT LIMITED (Hong Kong), Director, ELEMENTECH (HONG KONG) LIMITED, Director, NAM LIONG(H.K.) CO., LIMITED, Director, JSM Agricultural Development (Hong Kong) Co., Ltd., Director, HONG LIONG TEXTILE CO., LTD. (Hong Kong), Director, Gold Formosa Ltd.

Note 5: Chairman, ETERNALCARE BUSINESS LTD., Chairman, CHENG LIANG INVESTMENT CO., LTD., Chairman (Corporate Representative), MINHE HEALTH CARE CO., LTD., Chairman (Corporate Representative), HUI LIANG INDUSTRIAL CO., LTD., LEGAL REPRESENTATIVE, SUZHOU GREATSUN ELECTRONICS & COMMUNICATIONS CO., LTD., LEGAL REPRESENTATIVE, DONG GUAN NAMLIONG RUBBER MANUFACTURES CO., LTD., Legal representative, ONGGUAN PROPRENE SPORTING GOODS CO., LTD., Director, CATHAY CONSOLIDATED INC., Director, ORIENTAL GREEN ENERGY TECHNOLOGY INC., Director, EARS MANAGEMENT & CONSULTANT COMPANY, Director, ZI LIONG ENTERPRISE CO., LTD., Director(Corporate Representative), ELEMENTECH INTERNATIONAL CO., LTD., Director (Corporate Representative), TAYUN PHOTONICS INC., Director (Corporate Representative), JSM Green Field (Taiwan) CO., LTD., Supervisors (Corporate Representative), JSM Agricultural Development Co., Ltd., Supervisors (Corporate Representative), Skycosmos Sport and outdoor products Ltd., Director (Corporate Representative), DONG GUAN NAM GUANG RUBBER&PLASTIC MANUFACTURES CO., LTD., Director, JSM Agricultural Development (Hong Kong) Co., Ltd., Director, TA HSIN COMPANY LIMITED (Hong Kong), Director, Hui Liang (HK) Co.,Limited.

Note 6: Chairman, Cheng Zhe Investment Co., Ltd., Chairman Corporate Representative), Longmen Seaview Resort Co., Ltd., Legal representative, JIAXING NANXIONG POLYMER CO., LTD., Director, ZI LIONG ENTERPRISE CO., LTD., Director, Universal Mean Great Health Technology Co., Ltd., Director (Corporate Representative), U-LONG HIGH-TECH TEXTILE CO., LTD., Supervisors, TIONG LIONG INDUSTRIAL CO., LTD., Director (Corporate Representative), Director(Corporate Representative), Shanghai Nantec Textile Co., Ltd..

Note 7: Independent Director, FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD., Independent Director, JUOKU TECHNOLOGY CO., LTD.

Note 8: Consultant, FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD., General Manager, JUNG SHEN TECHNOLOGY CO., LTD.

Note 9: Independent Director, TEH SENG PHARMACEUTICAL MFG.CO.,LTD.

Table 1: Profiles of dominant shareholders of institutional shareholders

April 30, 2026

Name of Institutional Shareholders	Main Shareholders of Institutional Shareholders
ZI LIONG ENTERPRISE CO., LTD.	Shao, Ten-Po 22.77%, Gu Yi Investment CO., LTD. 19.91%, Xin Yan Investment CO., LTD. 15.57%, Hung, Chun-Chih 8.13%, Hsiao, Jung-Chu 6.24%, Cheng Zhe Investment Co., Ltd. 4.13%, Hsiao, Chung-Hu 3.72%, Qi Hong Investment CO., LTD. 3.51%, Li, Jung-Liang 3.12%、Ku, Chia-Sheng 3.12%
EVER DEVELOPMENT INVESTMENT CO., LTD.	Shao, Ten-Po 79.36%, Hsiao, Chung-Hu 20.64%

Table 2: Main shareholders of institutional shareholders

April 30, 2026

Name of Institutional Shareholders	Main Shareholders of Institutional Shareholders
Gu Yi Investment CO., LTD.	Shao, Ten-Po 91.75%, Lin, Hsiu-E 8.25%
Xin Yan Investment CO., LTD.	Hsiao, Chung-Hu 68.51%, Shao, Ten-Po 26.39%, Lai, Yu-Li 5.10%
Cheng Zhe Investment Co., Ltd.	Wang, Shih-Ting 24.64%, Wang, Chen-Che 19.14%, Chen, Yu 19.14%, Wang Huang, Pi-Yun 17.79%, Wang, Chien-Chao 10.00%, Chen, Yi-Hsiao 9.29%
Qi Hong Investment CO., LTD.	Hung, Chun-Chih 73.81%, Shao, Ten-Po 26.19%

Director(2)

A. Directors' professional qualifications and independence analysis

<table>
<tr><th>Qualification / Name</th><th>Professional qualifications and experience</th><th>Independence status (Note)</th><th>Number of other listed companies concurrently serving as an independent director</th></tr>
<tr><td>Chairman:
ZI LIONG ENTERPRISE CO., LTD.
Representative:
Shao, Ten-Po</td><td rowspan="9">1.Please refer to Director(1) (P.9~15) for details on qualification and experience of directors.
2.No director is of matters stated in Art. 30 of Company Act.</td><td rowspan="5">N/A</td><td>-</td></tr>
<tr><td>Director:
ZI LIONG ENTERPRISE CO., LTD.
Representative:
Hsiao, Chung-Hu</td><td>-</td></tr>
<tr><td>Director:
Pai, Ching-Jen</td><td>-</td></tr>
<tr><td>Director:
Hsiao, Yu-Chiao</td><td>-</td></tr>
<tr><td>Director:
EVER DEVELOPMENT INVESTMENT CO., LTD.
Representative:
Wang, Shih-Ting</td><td>-</td></tr>
<tr><td>Independent Director:
Huang, Chung-Hui</td><td rowspan="4">All of the following situations apply to each and every of the Independent Directors:
1.Requirements from Financial Supervisory Commission R.O.C. Art 14-2 of Securities and Exchange Act and Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note).
2.Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any NL shares.
3.No remunerated commercial, legal, financial, accounting, or other service by The Company or its affiliated companies within the past two years.</td><td>2</td></tr>
<tr><td>Independent Director:
Huang, Wen-Ming</td><td>-</td></tr>
<tr><td>Independent Director:
Tsao, Ching-Ming</td><td>-</td></tr>
<tr><td>Independent Director:
Chiu, Li-Yin</td><td>1</td></tr>
</table>

Note: 1. Authority, legal person or one's behalf other than stated by Art. 27 of Company Act.

2. An independent director by other listed companies of which the number is equal to or under three.

3. Not of any following matters for the past two years prior to and during service:

(1). An employee by The Company or its affiliated companies.

(2). A director or supervisor by The Company or its affiliarted companies.

(3). A shareholder, or whose spouse or minor children, or a substantial shareholder with a shareholding ratio over 1% or from top 10 of The Company as natural person.

(4). Manager of No. 1 or spouse, kinship within second grade, or immediate family within third grade of whom from aforementioned two items.

(5). A director, supervisor, or employee by legal person whose direct shareholding ratio of listed shares exceeds five percent, from top 5 by The Company, or an appointed behalf as a director or supervisor of whom by The Company pusuant to Art. 27-1 or 2 of Company Act.

(6). A director, supervisor, or employee in control of over half of Board of directors' seats or shareholding ratio of voting rights by The Company or other companies.

(7). With a second title as chairman, general manager, or an equivalent position, or spouse of whom by The Company or other companies or institutes, director (chief), supervisor (chief), or employee by other companies or institutes.

(8). A director(chief), supervisor(chief), manager by a specific company or institute of financial or business liaisons with The Company, or a shareholder with a shareholding ratio over five percent of The Company.

(9). A specialist having audited or having been remunerated over five hundred thousand NT$ with the past two years for one's commercial, legal, financial, accounting, or other relevant services, corporate owner, corporate partner, director (chief), supervisor (chief), manager with sole, partner proprietorship by The Company or affiliated companies, and spouse of whom, to which in case a member of Remuneration Committee, Public Tender Review Committee or Special Merger Committee who exercises one's power pursuant to the act or regarding provisions of Business Mergers And Acquisitions Act, is not subject.

B. Diversity and independence of Board of Directors

a. Diversity policy of Board of Directors

Board of Directors by The Company is elected with rigorous process, in consideration of background diversity, profession, and experience. Reputation of one's ethics practice and leadership is appreciated as well.

The current Board of Directors consists of 9 members, including 4 Independent Directors and 5 Non-Independent Directors. All Directors possess extensive industry knowledge and operational experience. Among the Directors, 44% are also employees of The Company, Independent Directors account for 44%, and female Directors account for 33%. In terms of tenure, one Independent Director has served less than 3 years, one has served between 4 to 6 years, one has served between 7 to 9 years, and one has served between 10 to 12 years. Regarding age distribution, 3 Directors are aged over 71, 2 are between 61 and 70 years old, and 4 are under 60 years of age. The Company focuses on gender equality within the composition of its Board members and raises the seats of female directors to over one-third (i.e., 33%). At present, male members account for 67% (6 members) and female members account for 33% (3 members) of the Board.

Diversity implementation of Board of Directors as following:

Talent / Director name	Gender	Operational judgement	Accounting and financial analyticity	Operation & management	Risk-solving	Industrial understanding	International market understanding	Leadership	Decision-making
ZI LIONG ENTERPRISE CO., LTD. Representative: Shao, Ten-Po	M	✓		✓	✓	✓	✓	✓	✓
ZI LIONG ENTERPRISE CO., LTD. Representative: Hsiao, Chung-Hu	M	✓		✓	✓	✓	✓	✓	✓
Pai, Ching-Jen	M	✓	✓	✓	✓	✓		✓	✓
Hsiao, Yu-Chiao	F	✓		✓	✓	✓	✓	✓	✓
EVER DEVELOPMENT INVESTMENT CO., LTD. Representative: Wang, Shih-Ting	F	✓		✓	✓	✓	✓	✓	✓
Huang, Chung-Hui	M	✓	✓	✓	✓	✓		✓	✓
Huang, Wen-Ming	M	✓	✓	✓	✓	✓			✓
Tsao, Ching-Ming	M	✓	✓	✓	✓	✓	✓		✓
Chiu, Li-Yin	F	✓	✓	✓	✓	✓			✓

b. Independence of Board of Directors

The Company has 9 director seats, including 4 independent director seats, accounting 44%. No member from the Board of Directors has items stated in Securities and Exchange Act Art. 26-3 No.3 & No.4; 3 directors are either spouses or kinship within second grade, which does not exceed half of director seats.

(2). General manager, vice general manager, senior manager, heads of divisions and branches

April 30, 2026

Title	Nationality	Name	Gender	Service date of first term	Shares held		Spouse & minor shareholding		Shareholding by nominee arrangement		Education and important experience	Selected current position at other companies	Executives, Directors, or Supervisors who are spouses or within two degrees of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Shao, Ten-Po	M	June 23, 2022	-	-	-	-	-	-	• Honorary doctorate of National Chiayi University • Honorary doctorate of Chaoyang University of Technology	Note 1	-	-	-	-
General Manager	R.O.C.	Wang, Kelly (Wang, Ling-Shuang)	F	January 1, 2025	-	-	-	-	-	-	• Faculty of Business, Economics & Law, The University of Queensland • Vice General Manager, NL	None	-	-	-	-
Vice General Manager of Finance & Chief Financial Officer	R.O.C.	Pai, Ching-Jen	M	December 31, 2020	-	-	-	-	-	-	• Business Management MA, National Cheng Kung University • Executive Senior Manager, NL	Note 2	-	-	-	-
Executive Senior Manager	R.O.C.	Wang, Shih-Ting	F	December 18, 2024	-	-	-	-	-	-	• Business Management MA, National Cheng Kung University • Senior Manager, NL	Note 3	-	-	-	-
Executive Senior Manager	R.O.C.	Lai, Ming-Chih	M	November 06, 2025	-	-	-	-	-	-	• Department of Textile Engineering (Textile Chemistry Division), National Taipei Institute of Technology • Senior Manager, NL	Note 4	-	-	-	-
Accounting Manager / Corporate Governance Officer	R.O.C.	Su, Meng-Hsu	F	August 16, 2016	-	-	-	-	-	-	• Graduate Institute of Accounting MA, Yuan Ze University • Assistant manager, Deloitte & Touche	None	-	-	-	-
Finance Manager	R.O.C.	Chiu, Shu-Chen	F	July 01, 2023	-	-	-	-	-	-	• Department of Accounting, Fu Jen Catholic University • Manager, NL	Note 5	-	-	-	-

Note 1: Chairman, U-LONG HIGH-TECH TEXTILE CO., LTD., Chairman, UNION LINE TEXTILE CO., LTD., Chairman, Skycosmos Sport and outdoor products Ltd., Chairman, TIONG LIONG INDUSTRIAL CO., LTD., Chairman, DECORTEC HOLDING CO., LTD., Chairman, TIEN JIANG ENTERPRISE CO., LTD., Chairman, HONG LIONG TEXTILE CO., LTD., Chairman, Bi Hai Entertainment Co., Ltd., Chairman, EVER THRIVING INTERNATIONAL INVESTMENT CO., LTD., Chairman, EVER DEVELOPMENT INVESTMENT CO., LTD., Chairman, JSM Agricultural Development Co., Ltd., Chairman, Gu Hong Investment CO., LTD., Chairman, ZI LIONG ENTERPRISE CO., LTD., Chairman, Gu Yi Investment CO., LTD., Chairman, Shi Jin Culture and Art Co., Ltd., Chairman, Jiafeng Maoliang Investment Co., Ltd., Chairman, Quanye Kangyang Development Co., Ltd., Chairman, Liongtex Innovation Enterprises Co., Ltd., Chairman, Qi Hong Investment CO., LTD., Chairman, Zhi-Jun Transportation Co., Ltd., Chairman (Corporate Representative), HONG LI TEXTILE CO., LTD., Chairman (Corporate Representative), TrueLove Aquatic Solar Power Co., Ltd., Chairman (Corporate Representative), TrueLove Farm and Aquatic Solar Power Co., Ltd., Chairman (Corporate Representative), Tian Mao Investment Holding Co., Ltd., Chairman (Corporate Representative), GREENRAY BIOMEDICAL CO., LTD., Chairman (Corporate Representative), AGRO-GREEN INTERNATIONAL CO., LTD., Chairman (Corporate Representative), TrueLove Solar Power Co., Ltd., Chairman (Corporate Representative), SICOM ENTERPRISE CO., LTD., Legal representative, Winning Industrial Co.,Ltd., Director, GREAT & MAGNIFICENT CO., LTD., Director, Universal Mean Great Health Technology Co., Ltd., Director, E-LIONG GREEN ENGINEERING TECHNOLOGY CO., LTD., Director (Corporate Representative), DECORTEC CO., LTD., Director (Corporate Representative), Heng Ding Biotechnology Co., Ltd., Director (Corporate Representative), Yuan Yun Food Co., Ltd., Director (Corporate Representative), Chia Yuan BioTech Co., Ltd., Director (Corporate Representative), GREENRAYS INTERNATIONAL CO., LTD., Supervisor (Corporate Representative), Fuqing Hong Liong Textile Technology Co., Ltd., Director, HONG LIONG TEXTILE CO., LTD. (Hong Kong), GDirector, GREAT FORTUNE HOLDING Co., Ltd., Director, Sino Max International Holding Co., Ltd., Director, GreatHealth Industry Development Co., Ltd., Director, Sino Max International (Cayman) Corporation, Director, SINO CHAMPION LIMITED (Cayman).

Note 2: Chairman, EARS MANAGEMENT & CONSULTANT COMPANY, Chairman (Corporate Representative), ETERNALCARE BIOTECH INC., Director, E-LIONG GREEN ENGINEERING TECHNOLOGY CO., LTD., Director, JSM Agricultural Development Co., Ltd., Director, YOHO BEACH RESORT CO., LTD., Director, TrueLove Energy Storage Tech, INC., Director, Sheng Yang Fishery Co., Ltd., Director (Corporate Representative), ELEMENTECH INTERNATIONAL CO., LTD., Supervisor, Quanye Kangyang Development Co., Ltd., Supervisor, Universal Mean Great Health Technology Co., Ltd., Supervisor, CHENG LIANG INVESTMENT CO., LTD., Supervisors (Corporate Representative), GREENCHEM INTERNATIONAL CO., LTD., Supervisor (Corporate Representative), GREENRAY BIOMEDICAL CO., LTD., Supervisor (Corporate Representative), Jiafeng Maoliang Investment Co., Ltd., Supervisor (Corporate Representative), GREENRAYS INTERNATIONAL CO., LTD., Director (Corporate Representative), DONG GUAN NAM GUANG RUBBER&PLASTIC MANUFACTURES CO., LTD., Director (Corporate Representative), DONG GUAN NAMDE RUBBER&PLASTIC MANUFACTURES CO., LTD., Supervisors (Corporate Representative), DONG GUAN NAMLIONG RUBBER MANUFACTURES CO., LTD. , Director, SHAO EN ENERGY PTE. LTD. , Director, TA HSIN COMPANY LIMITED (Hong Kong), Director, JIN LIAMY ENTERPRISE COMPANY LIMITED (Hong Kong), Director, CROWN DREAM DEVELOPMENT LIMITED (Hong Kong), Director, ELEMENTECH (HONG KONG) LIMITED, Director, NAM LIONG(H.K.) CO., LIMITED, Director, JSM Agricultural Development (Hong Kong) Co., Ltd., Director, HONG LIONG TEXTILE CO., LTD. (Hong Kong), Director, Gold Formosa Ltd.

Note 3: Chairman, Cheng Zhe Investment Co., Ltd., Chairman (Corporate Representative), Longmen Seaview Resort Co., Ltd., Legal representative, JIAXING NANXIONG POLYMER CO., LTD., Director, ZI LIONG ENTERPRISE CO., LTD., Director, Universal Mean Great Health Technology Co., Ltd., Director (Corporate Representative), U-LONG HIGH-TECH TEXTILE CO., LTD., Supervisor, TIONG LIONG INDUSTRIAL CO., LTD., Director(Corporate Representative), Shanghai Nantec Textile Co., Ltd..

Note 4: General manager, JIAXING NANXIONG POLYMER CO., LTD..

Note 5: Supervisors (Corporate Representative), JIAXING NANXIONG POLYMER CO., LTD., Supervisors(Corporate Representative), DONG GUAN NAM GUANG RUBBER&PLASTIC MANUFACTURES CO., LTD., Director (Corporate Representative), DONG GUAN NAMDE RUBBER&PLASTIC MANUFACTURES CO., LTD..

2. Director(including independent director), general manager and vice general manager remuneration

(1). Remuneration paid to directors and independent directors for the year 2025

Unit: NT$ thousands

Title	Name	Director remuneration								Amount and ratio of total A, B, C, and D to net income after tax		Remuneration received as employee								Amount and ratio of total A, B, C, D, E, F and G to net income after tax		Remuneration from a non-subsidiary investee company or parent company
		Remuneration (A)		Pension (B)		Director remuneration (C)(Note)		Operation fee (D)				Salaries, bonus, and special allowance, etc. (E)		Pension (F)		Employee remuneration (G)(Note)						
		NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL		All Consolidated Entities		NL	All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairman	ZI LIONG ENTERPRISE CO., LTD. Representative: Shao, Ten-Po	-	-	-	-	43	43	36	36	79 0.30%	79 0.30%	4,637	4,637	-	-	-	-	-	-	4,716 17.67%	4,716 17.67%	-
Director	ZI LIONG ENTERPRISE CO., LTD. Representative: Hsiao, Chung-Hu	-	600	-	-	43	285	36	746	79 0.30%	1,631 6.11%	-	-	-	-	-	-	-	-	79 0.30%	1,631 6.11%	-
Director	Pai, Ching-Jen	-	-	-	-	43	124	36	126	79 0.30%	250 0.94%	1,858	1,858	102	102	10	-	10	-	2,049 7.68%	2,220 8.32%	-
Director	Hsiao, Yu-Chiao	-	-	-	-	43	43	36	66	79 0.30%	109 0.41%	1,482	1,482	92	92	4	-	4	-	1,657 6.21%	1,687 6.32%	-
Director	EVER DEVELOPMENT INVESTMENT CO., LTD. Representative: Wang, Shih-Ting	-	-	-	-	43	43	36	36	79 0.30%	79 0.30%	1,548	1,548	89	89	11	-	11	-	1,727 6.47%	1,727 6.47%	-
Independent Director	Huang, Chung-Hui	368	368	-	-	43	43	156	156	567 2.12%	567 2.12%	-	-	-	-	-	-	-	-	567 2.12%	567 2.12%	-

Unit: NT$ thousands

Title	Name	Director remuneration								Amount and ratio of total A, B, C, and D to net income after tax		Remuneration received as employee								Amount and ratio of total A, B, C, D, E, F and G to net income after tax		Remuneration from a non-subsidiary investee company or parent company
		Remuneration (A)		Pension (B)		Director remuneration (C)(Note)		Operation fee (D)				Salaries, bonus, and special allowance, etc. (E)		Pension (F)		Employee remuneration (G)(Note)						
		NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL	All Consolidated Entities	NL		All Consolidated Entities		NL	All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Independent Director	Huang, Wen-Ming	368	368	-	-	43	43	150	150	561 2.10%	561 2.10%	-	-	-	-	-	-	-	-	561 2.10%	561 2.10%	-
Independent Director	Tsao, Ching-Ming	368	368	-	-	43	43	156	156	567 2.12%	567 2.12%	-	-	-	-	-	-	-	-	567 2.12%	567 2.12%	-
Independent Director	Chiu, Li-Yin	189	189	-	-	43	43	63	63	295 1.11%	295 1.11%	-	-	-	-	-	-	-	-	295 1.11%	295 1.11%	-

1. Please specify remuneration policy, system, standard and structure for independent directors, and justify in terms of their scope, risk, work time and other associating factors with remuneration: Independent director remuneration depends on one's participation and contribution to company operation and is remunerated on a monthly basis and fixed amount. No floating bonus. Independent directors are obliged to supervise and contact the management of The Company for company information regularly. The current annual remuneration is reasonable.
2. Besides aforesaid disclosure, please specify the remuneration from service at any company stated in the Business Report of Board of Directors (E.g. Parent company/any company from financial statement/Third-party investee other than employees' advisor, etc.): None.

Note: Director remuneration and employee remuneration for 2025 have been adopted by Board of Directors votes.

(2). Remuneration paid to general manager and vice general manager for the year 2025

Unit: NT$ thousands

Title	Name	Salaries (A)		Pension(B)		Bonus, and special allowance, etc. (C)		Remuneration received as employee (D) (Note)				Amount and ratio of total A, B, C and D to net income after tax(%)		Remuneration from a non-subsidiary investee company or parent company
		NL	All Consoli-dated Entities	NL	All Consoli-dated Entities	NL	All Consoli-dated Entities	NL		All Consolidated Entities		NL	All Consoli-dated Entities	
								Cash	Stock	Cash	Stock			
Strategy Director (Term until August 31, 2025)	Wang, Chuan-Cheng	1,508	1,508	72	72	176	176	-	-	-	-	1,756 6.58%	1,756 6.58%	-
General manager	Wang, Kelly (Wang, Ling-Shuang)	2,372	2,372	108	108	507	507	19	-	19	-	3,006 11.26%	3,006 11.26%	-
Vice General Manager of Finance & Chief Financial Officer	Pai, Ching-Jen	1,628	1,628	102	102	230	230	10	-	10	-	1,970 7.38%	1,970 7.38%	-

Note : Employee remuneration for 2025 have been adopted by Board of Directors votes.

(3). Remuneration paid to Top 5 executives for the year 2025

Unit: NT$ thousands

Title	Name	Title		Name		Title		Name				Title		Remuneration from a non-subsidiary investee company or parent company
		NL	All Consoli-dated Entities	NL	All Consoli-dated Entities	NL	All Consoli-dated Entities	NL		All Consolidated Entities		NL	All Consoli-dated Entities	
								Cash	Stock	Cash	Stock			
Chairman	Shao, Ten-Po	3,960	3,960	-	-	677	677	-	-	-	-	4,637 17.37%	4,637 17.37%	-
General manager	Wang, Kelly (Wang, Ling-Shuang)	2,372	2,372	108	108	507	507	19	-	19	-	3,006 11.26%	3,006 11.26%	-
Vice General Manager of Finance & Chief Financial Officer	Pai, Ching-Jen	1,628	1,628	102	102	230	230	10	-	10	-	1,970 7.38%	1,970 7.38%	-
Executive Senior Manager (Newly appointed on November 6, 2025)	Lai, Ming-Chih	1,307	1,596	80	80	261	261	13	-	13	-	1,661 6.22%	1,950 7.30%	-
Strategsy Director (Term until August 31, 2025)	Wang, Chuan-Cheng	1,508	1,508	72	72	176	176	-	-	-	-	1,756 6.58%	1,756 6.58%	-

Note : Employee remuneration for 2025 have been adopted by Board of Directors votes.

(4). Managers who allocate employee remuneration and allocation details

December 31, 2025; Unit: NT$ thousands

Title		Name	Stock	Cash	Total	Ratio of total to net income after tax(%)
Manager	Strategy Director (Term until August 31, 2025)	Wang, Chuan-Cheng	-	70	70	0.26
	General manager	Wang, Kelly (Wang, Ling-Shuang)				
	Vice General Manager of Finance & Chief Financial Officer	Pai, Ching-Jen				
	Executive Senior Manager	Wang, Shih-Ting				
	Executive Senior Manager (Newly appointed on November 6, 2025)	Lai, Ming-Chih				
	Accounting Manager / Corporate Governance Officer	Su, Meng-Hsu				
	Finance Manager	Chiu, Shu-Chen				

Note : Employee remuneration for 2025 have been adopted by Board of Directors votes.

(5). Compare remuneration analysis for directors, supervisors, general manager and vice general managers in the most recent two fiscal years by The Company and by all companies included in the consolidated financial statements ratio to income after tax, and specify remuneration policy, standard and combination, promulgation procedure for directors, supervisors, general manager and vice general managers, and business performance and future risk relativity

A. Analysis of director, supervisor, general manager, and vice general manager remuneration ratio to net income after tax from The Company and consolidated report for the past two years

Unit: NT$ thousands

Year	Total remuneration paid to directors, general manager, and vice general manager (Note)		Ratio of total to net income after tax(%)	
	NL	All Consolidated Entities	NL	All Consolidated Entities
2024	25,342	27,521	18.40	19.98
2025	16,980	18,733	63.61	70.17

Note: Remuneration includes transportation allowances, compensation, salaries, bonuses, and employee remuneration.

B. Remuneration policy, standard and combination, promulgation procedure business performance and future risk relativity

a. Director remuneration: includes transport reimbursement, business operation pays and remuneration. The remuneration depends on one's participation in business operation and contribution; Remuneration Committee is authorized to settle director and supervisor remuneration pursuant to articles of incorporation, and shall present to Board of Directors for adoption and to Board of Shareholders.

b. General manager and vice general manager remuneration: the remuneration is determined pursuant to remuneration standard of The Company and reference to standard of same industry. The bonus and employee remuneration are allocated depending on articles of incorporate and references to business performance and one's contribution to The Company. Remuneration and bonus shall be reviewed by Remuneration Committee and adopted by Board of Directors. Employee remuneration shall be adopted by Board of Directors and presented to Board of Directors.

c. In consideration of potential risks of The Company in future, directors of The Company do not have other remuneration. In the event that directors and supervisors operate company business, they may be remunerated or reimbursed for transport. The Company shall remunerate based on common standard of same industry regardless of balance.

d. Net income after tax is a result of the past two years by The Company. The remuneration depends on business performance and references to remuneration standard of same industry.

3. Implementation of corporate governance

(1). Operation of the Board of Directors

A total of 6 (A) meetings of Board of Directors were held in 2025. The attendance of directors were as following:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%)【B/A】(Note)	Remarks
Chairman	ZI LIONG ENTERPRISE CO., LTD. Representative: Shao, Ten-Po	5	1	83	Re-elected on June 26, 2025
Director	ZI LIONG ENTERPRISE CO., LTD. Representative: Hsiao, Chung-Hu	6	6	100	Re-elected on June 26, 2025
Director	Chang, Shun-Ching	0	3	0	Dismissed on June 26, 2025
Director	Pai, Ching-Jen	6	0	100	Re-elected on June 26, 2025
Director	Hsiao, Yu-Chiao	6	0	100	Re-elected on June 26, 2025
Director	EVER DEVELOPMENT INVESTMENT CO., LTD. Representative: Wang, Shih-Ting	6	0	100	Re-elected on June 26, 2025
Independent Director	Huang, Chung-Hui	6	0	100	Re-elected on June 26, 2025
Independent Director	Huang, Wen-Ming	5	0	83	Re-elected on June 26, 2025
Independent Director	Tsao, Ching-Ming	6	0	100	Re-elected on June 26, 2025
Independent Director	Chiu, Li-Yin	3	3	100	Newly appointed on June 26, 2025

Note: (1) In the event of director departure takes place by the book closure date, their departure date shall be specified with actual presence ratio(%), counted by one' s participation in Board of Director meetings.

(2) In the event of election of director by the book closure date, former and precedent directors shall both be specified, with annotation of either former or precedent on the director column, newly- or re-elected and election date. Actual presence rate(%) is calculated by one's actual attended Board of Director meetings during one's service.

Other mentionable items:

A. If any of the following circumstances occur in the operation of the Board of Directors, The Company shall disclose the date of the Board meeting, the meeting term, the proposal content, the opinions of all Independent Directors, and The Company's response to those opinions

a. Matters specified in Article 14-3 of the Securities and Exchange Act:

The Board of Directors	Subject	Matters specified in Article 14-3 of the Securities and Exchange Act	Opinions of independent directors	Company's response to independent directors' opinions	Resolution result
14th Term 16th Meeting March 12, 2025	Commission of CPA independence evaluation for 2025.	✓	None	N/A	All proposals were approved without objection by all attending directors.
14th Term 16th Meeting March 12, 2025	Commission of CPA agency by The Company for 2025.	✓	None	N/A	All proposals were approved without objection by all attending directors.
15th Term 3rd Meeting November 6, 2025	Land lease case of The Company's main plant.	✓	None	N/A	Except for Chairman, Shao, Ten-Po, who recused himself in accordance with the law and did not participate in the discussion or voting, all other attending directors raised no objections and the proposals were approved as submitted.

b. Other resolutions of the Board of Directors, excluding the aforementioned matters, that were opposed or had a qualified opinion by any Independent Director and such opinions were recorded or issued in writing: None.

B. The implementation status of recusals by directors for proposals involving conflicts of interest shall specify the director's name, the content of the proposal, the reason for the required recusal due to conflict of interest, and the director's voting status.

Director name	Proposal	Reason for avoidance of conflict of interest & voting result
Shao, Ten-Po	Land lease case of The Company' s main plant.	In accordance with Article 206, Paragraph 2 of The Company Act, directors with a conflict of interest were not permitted to vote, while the remaining attending directors raised no objections and the proposal was approved as submitted.

C. Listed companies shall disclose self-evaluation frequency, term, evaluation scope, approach, and evaluation details, etc.

Evaluation frequency	Evaluation term	Evaluation scope	Evaluation method	Evaluation content	Implementation
Annual	January 1, 2025 to December 31, 2025	Overall Board of Directors	Insider self-evaluation of Board of Directors	Participation in operations, decision-making quality of the Board of Directors, composition and structure of he Board of Directors, selection and ongoing education of directors, internal control	In March 2026, The Company completed the performance evaluations for the Board of Directors, individual directors, the Audit Committee, and the Remuneration Committee for the year 2025. The evaluation results were reported to the Board of Directors on March 11, 2026. The results are as follows: (1) Board of Directors performance evaluation Performed excellently. (2) Individual Directors' performance evaluation Performed excellently. (3) Audit Committee performance evaluation Performed excellently. (4) Remuneration Committee performance evaluation Performed excellently.
		Respective director from the Board	Self-evaluation by members Board of Directors	Understanding of goals and responsibilities, awareness of directors' duties, level of participation in company operations, internal relationship management and communication, professionalism and continuing education of Directors, internal control	
		Functional Committee (Audit Committee, Remuneration Committee)	Self-evaluation of Functional Committee	Audit Committee, Remuneration Committee Level of participation in Company operations, understanding of Committee responsibilities, decision-making quality, Committee composition and member selection, internal control	

D. Improvement in competency of current and most recent years' Board of Directors and evaluation of implementation

a. Towards improvement of competency of Board of Directors:

(a) We implement corporate governance and endeavors for transparency in operation, convene Board of Directors meeting quarterly and present operation in meeting.

(b) We arrange trainings for development in profession of directors per year.

b. Implementation:

(a) The Company promulgated meeting guideline for Board of Directors and convenes regularly so that it is applied in practice by law.

(b) The Company established Remuneration Committee that facilitates in management of remuneration functionality for Board of Directors.

(c) The Company established Audit Committee in place of supervisors

(2). Operation of Audit Committee

A total of 4 (A) meetings of the Audit Committee were held in 2025. The attendance of independent directors is as following:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%)【B/A】(Note)	Remarks
Independent Director	Huang, Chung-Hui	4	0	100	Re-elected on June 26, 2025
Independent Director	Huang, Wen-Ming	4	0	100	Re-elected on June 26, 2025
Independent Director	Tsao, Ching-Ming	4	0	100	Re-elected on June 26, 2025
Independent Director	Chiu, Li-Yin	2	0	100	Newly appointed on June 26, 2025

Note: (1) In the event of independent director departure takes place by the book closure date, their departure date shall be specified with actual presence ratio(%), counted by one's participation in Audit Committee.

(2) In the event of election of independent director by the book closure date, former and precedent independent director shall both be specified, with annotation of either former or precedent on the independent director column, newly- or re-elected and election date. Actual presence rate(%) is calculated by one's actual attended Audit Committee during one's service.

Other mentionable items:

A. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response shall be specified:

a. Matters referred to in Article 14-5 of the Securities and Exchange Act.:

Date of Audit Committee Meeting	Subject and subsequent processing	Matters referred to in Article 14-5 of the Securities and Exchange Act.	Independent director's objection, reservation or major suggestion project content	Audit Committee resolution result	Company response to expression by Audit Committee
1st Term 13th Meeting March 12, 2025	Implementation of internal audit by the Company.	✓	None	Agreement and adoption by the Committee	Submit to the Board of Directors for approval and proceed in accordance with the resolution
	The Company's 2024 parent company only financial statements, consolidated financial statements and business report.	✓			
	2024 internal control statement.	✓			
	Commission of CPA independence evaluation for 2025.	✓			
	Commission of CPA agency by the Company for 2025.	✓			
1st Term 14th Meeting May 8, 2025	Implementation of internal audit by the Company.	✓	None	Agreement and adoption by the Committee	Submit to the Board of Directors for approval and proceed in accordance with the resolution
	2025Q1 consolidated financial statements by the Company.	✓			
	Amendment to the Company's approval authority form.	✓			

Date of Audit Committee Meeting	Subject and subsequent processing	Matters referred to in Article 14-5 of the Securities and Exchange Act.	Independent director's objection, reservation or major suggestion project content	Audit Committee resolution result	Company response to expression by Audit Committee
2nd Term 1st Meeting August 7, 2025	Implementation of internal audit by the Company.	✓	None	Agreement and adoption by the Committee	Submit to the Board of Directors for approval and proceed in accordance with the resolution
	2025Q2 consolidated financial statements by the Company.	✓			
2nd Term 2nd Meeting November 6, 2025	Implementation of internal audit by The Company.	✓	None	Agreement and adoption by the Committee	Submit to the Board of Directors for approval and proceed in accordance with the resolution
	2026 audit plan by the Company.	✓			
	2025Q3 consolidated financial statements by the Company.	✓			
	The amendments to the Company's Internal Control System and Detailed Enforcement Rules for Internal Audit.	✓			
	Land lease case of the Company's main plant.	✓			
	Concurrent appointment of the legal representative of the Subsidiary, DONG GUAN NAMLIONG RUBBER MANUFACTURES CO., LTD., as its general manager.				

b. Rest items not approved by Audit Committee and approved by over two-thirds Directors except aforesaid items: None.

B. The Independent Director's recusation of a motion in which he has an interest shall include the Independent Director's name, the content of the motion, the reason for his recusation and his participation in the voting: None.

C. Communication between Independent Directors and Internal Audit Officer and CPA (Including significant matters communicated regarding the Company's financial and operational status, the method of communication, and the outcomes).

Communication with Internal Audit Officer - Presenter: Auditor, Lai, Jen Ching

a. 13th Meeting of the 1st Audit Committee (March 12, 2025):
Reported on the actual implementation of internal audits to the Committee members.

b. 14th Meeting of the 1st Audit Committee (May 8, 2025):
Reported on the actual implementation of internal audits to the Committee members.

c. 1st Meeting of the 2nd Audit Committee (August 7, 2025)
Reported on the actual implementation of internal audits to the Committee members.

d. 2nd Meeting of the 2nd Audit Committee (November 6, 2025):
Reported on the actual implementation of internal audits and the 2026 Audit Plan to the Committee members.

Communication with CPA -Presenter: CPA, Chang, Cheng-Hsiu

a. 13th Meeting of the 1st Audit Committee (March 12, 2025):
Reported the audit results of the Company's 2024 Parent Company Only and Consolidated Financial Statements to the Committee members.

b. 2nd Meeting of the 2nd Audit Committee (November 6, 2025):
Reported the review results of the 2025Q3 Consolidated Financial Statements and the Audit Plan for 2025 to the Committee members.

D. Summary of Key Annual Work Items of the Audit Committee:

a. Establishment or amendment of the internal control system.
b. Assessment of the effectiveness of the internal control system.
c. Establishment or revision of procedures for acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, and endorsements or guarantees.
d. Matters involving conflicts of interest with Directors.
e. Significant asset or derivative transactions.
f. Significant loans, endorsements, or guarantees.
g. Issuance, offering, or private placement of equity-type securities.
h. Appointment, dismissal, or remuneration of the attesting CPA.
i. Appointment or dismissal of financial, accounting, or internal audit officers.
j. Review and discussion of Financial Reports.

(3). Corporate governance implementation status and deviations from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and cause

Evaluation item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles" and cause
	Y	N	Summary	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles"?	✓		The Company has promulgated corporate governance practice principle and discloses on the Company website.	No material deviation.
2. Shareholding structure & shareholders' rights				
(1). Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?		✓	(1). The Company has appointed an exclusive role (spokesperson and substitute spokesperson) in response to advice or questions, and commission a stock affair agent and competent attorney that provides legal advice, shareholders' advice, concerns and disputes.	Not specified.
(2). Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2). The Company has a relevant department that masters shareholding details of directors, managers, and major shareholders whose ratio is over ten percent and discloses major shareholders and ultimate controllers hereof. The management maintains good communication and contact and declares information in case updates.	No material deviation.
(3). Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3). The Company has promulgated relevant implementation guideline and provisions. Personnel, assets, property, financial affairs with affiliates are handled respectively and independently with clear responsibilities, and is being implemented pursuant to regulations.	No material deviation.
(4). Does the Company establish internal rules against prohibition to insiders trading with undisclosed information?	✓		(4). In order to maintain fair transaction for the securities market, the Company has promulgated implementation guideline for insider trading management prevention. It prohibits insiders from any potential insider transaction conducts and trades of marketable securities with un-disclosed information on the basis of one's role or control as a knower of the Company, in order to protection investors and to secure the Company's rights.	No material deviation.

Evaluation item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles" and cause
	Y	N	Summary	
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?	✓		(1). The Company has promulgated corporate governance practice guideline to reinforce the structure of the Board of Directors which states the composition of the Board of Directors shall take account of diversification policy, e.g. diverse profession background, duties or gender, etc.; members of the Board of Directors shall overall be in possession of knowledge, skills, and characters required for duty implementation. In order to achieve the corporate governance targets, directors shall have following competence as following: A. Operation judgement B. Accounting and financial analyticity C. Operation & management D. Risk-solving E. Industrial understanding F. International market understanding G. Leadership H. Decision-making For diversification of Board of Director members, please refer to Director (2) of the annual report P.17~18.	No material deviation.
(2). Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2). Other than Remuneration Committee and Audit Committee, the Company established a merger committee for the current requirements of the Company. It resolutes if merger plans and transactions are fair and reasonable and reports the resolution to Board of Directors or Board of Shareholders.	No material deviation.

Evaluation item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles" and cause
	Y	N	Summary	
(3). Has the Company established a standard to assess the performance of the Board and implement it annually, and are the performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for re-election?	✓		(3). The Company has formulated the "Board of Directors Performance Evaluation Methods", including its evaluation methods, and has submitted the results of the 2025 performance evaluation to the Board of Directors on March 11, 2026.	No material deviation.
(4). Does the Company regularly evaluate the independence of CPAs	✓		(4). The Company evaluates CPA at least once a year in accordance with regulations. The Company's CPA is appointed with the approval of the board of directors. It has no interest relationship with the Company and strictly adheres to independence. Please see the following table "CPA Independence and Competency Evaluation Form" for the evaluation. The CPA Assessments for 2025 and 2024 were reviewed and approved by the Audit Committee and the Board of Directors on March 11, 2026 and March 12, 2025 respectively.	No material deviation.
4. Have TWSE/GTSM listed companies appointed a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		Finance department is exclusively responsible for corporate governance and provides directors information required for their duty operation, organisation of Board of Directors and shareholders' meetings, minutes of meetings for Board of Directors and shareholders, etc.	No material deviation.

Evaluation item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles" and cause
	Y	N	Summary	
5. Has the Company established 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 established internal and external communication channels with integrity and respect values, which is disclosed in annual report and company information. It has a stakeholder section on company website and maintains good communication with stakeholders. It allows stakeholders to access to sufficient information for their judgement. Besides via contact number or email address, company website was set. The Company maintains smooth communication with stakeholders including liaised banks and other creditors, employees, customers, suppliers and stakeholders to the Company's benefit. We provide a comprehensive interface for subjects and enquiry, and respond to major CSR concerns for stakeholders via announcements on MOPS.	No material deviation.
6. Does the Company commission a professional shareholder service agency to deal with shareholder affairs?	✓		The Company commissions Board of Shareholders meetings and stock affairs to IBF Securities Co., Ltd..	No material deviation.
7. Information disclosure				
(1). Has the Company set up a corporate website to disclose both financial conditions and corporate governance details?	✓		(1). The Company and its subsidiaries established a company website: http://www.namliong-global.com. Financial operation and corporate governance are disclosed. Subsidiary website has information on company products. It allows understanding of company operations for shareholders and the public.	No material deviation.
(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)?	✓		(2). The Company appoints exclusively a role for disclosure of material information of the Company and inputs to MOPS and company website and implements spokesperson system. Other information of important subsidiaries shall be disclosed by the parent company as a proxy announcer. The information of the Company will be disclosed adequately.	No material deviation.

Evaluation item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles" and cause
	Y	N	Summary	
(3). Has the Company announced and report annual financial statements within two months after the end of each fiscal year, and announced and presented Q1, Q2, and Q3 financial statements, as well as monthly operation results by the stipulated deadline?		✓	(3). The Company is currently unable to announce and file its annual financial report within two months after the end of the fiscal year. However, the Company complies with the deadlines stipulated under Article 36 of the Securities and Exchange Act by announcing and filing its annual financial report within 3 months, quarterly financial reports (for Q1, Q2, and Q3) within 45 days, and monthly operating results by the 10th of each month.	Continuous improvement.
8. Is there any other important information to facilitate a better understanding of the Company's 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 purchase of liability insurance for directors and supervisors)?	✓		(1). Employee rights: The Company and subsidiaries treat employees with integrity. We promulgated employee benefit measures, trainings, etc., and pay tribute to their diverse talents pursuant to Labor Standards Act in order to protect legal rights and equal opportunites of the employees. (2). Contractor enquiry: The Company and affiliates are well-trained and established a Labor benefit committee. Labor relations and trust are built via benefit committee operation and benefit affairs (3). Shareholder relations: The Company has a contact solely in charge of reception of shareholders' feedbacks, and the information is disclosed on MOPS and the Company website. It allows investors to be informed of business operation, and communicates with investors via Board of Shareholders and spokesperson. (4). Suppliers: the Company and affiliates have evaluated suppliers for years. The Company and affiliates have established good cross-relations with suppliers throughout years. (5). Rights of stakeholders: stakeholders may communicate and advise the Company to ensure their legal rights. (6). Self-development of directors: the Company encourages directors to participate in trainings. Please refer to following table Self-development of directors for details. (7). Implementation of risk management policy and risk evaluation criteria:	No material deviation.

Evaluation item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles" and cause
	Y	N	Summary	
			the Company and subsidiaries promulgated internal conventions by law for risk management and evaluation. Relevant operation meets relevant regulations in order to employ resources efficiently, prevent accidents' occurrence, and protect company assets. (8). Implementation of customer policy: the Company and affiliates maintain sound relations with customers and our common goal is ultimate customer satisfaction. We respond to customer enquiry and feedbacks for products and maintain good relations to achieve company margins. (9). The Company has purchased relevant liability insurance for the Director and managers and submitted a report to the Board of Directors.	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures: The Company prioritises structure and operation indicators of Board of Directors and reinforces competency of Board of Directors and meeting efficiency so that evaluation indicators and deviation of the Company can be mastered. Evaluation is supervised beyond literalism, and towards advanced, revolutionary, effecient Board of Directors.				

■ Self-development of Directors of the Company

<table>
<tr><th rowspan="2">Title</th><th rowspan="2">Name</th><th colspan="2">Term of training</th><th rowspan="2">Organiser</th><th rowspan="2">Session</th><th rowspan="2">Hour(s) of training</th></tr>
<tr><th>Start</th><th>End</th></tr>
<tr><td rowspan="2">Chairman
Director
Director
Director
Director
Independent Director
Independent Director
Independent Director
Independent Director</td><td rowspan="2">Shao, Ten-Po
Hsiao, Chung-Hu
Pai, Ching-Jen
Hsiao, Yu-Chiao
Wang, Shih-Ting
Huang, Chung-Hui
Huang, Wen-Ming
Tsao, Ching-Ming
Chiu, Li-Yin</td><td>September 25, 2025</td><td>September 25, 2025</td><td>Taiwan Corporate Governance Association</td><td>Ethical Corporate Management and Liability Risk Management for Directors</td><td>3</td></tr>
<tr><td>September 25, 2025</td><td>September 25, 2025</td><td>Taiwan Corporate Governance Association</td><td>Wealth Succession and Trusts from the Perspective of Corporate Governance</td><td>3</td></tr>
<tr><td rowspan="3">Independent Director</td><td rowspan="3">Chiu, Li-Yin</td><td>July 21, 2025</td><td>July 21, 2025</td><td>Taiwan Corporate Governance Association</td><td>Corporate Governance and Securities Regulations</td><td>3</td></tr>
<tr><td>November 22, 2025</td><td>November 22, 2025</td><td>Accounting Research and Development Foundation</td><td>Legal Liability and Case Analysis of Workplace Bullying</td><td>3</td></tr>
<tr><td>December 30, 2025</td><td>December 30, 2025</td><td>Taiwan Corporate Governance Association</td><td>Board Functions and Performance Evaluation</td><td>3</td></tr>
</table>

■ Auditor's qualifications and independence assessment

Evaluation item	Evaluation result
1. As of the latest audit, there have been no circumstances where no replacement had happened for seven years.	■Y □N
2. There is no major conflict of financial interests with the client.	■Y □N
3. To avoid having any inappropriate relationship with the client.	■Y □N
4. The CPAs should ensure that their assistants are honest, fair, and independent.	■Y □N
5. The CPA cannot audit the financial statements for organizations they served for within two years before they took the job.	■Y □N
6. The CPAs' name cannot be used by others.	■Y □N
7. The CPA does not hold any stocks of the Company or its affiliated enterprises.	■Y □N
8. The CPA does not loan money from the Company or its affiliated enterprises.	■Y □N
9. The CPA has no joint investment or profit-sharing relationship with the Company or its affiliated enterprises.	■Y □N
10. The CPA does not concurrently hold a regular position in the Company or its affiliated enterprises and receive fixed salary.	■Y □N
11. The CPA does not involve the managerial decision-making of the Company or its affiliated enterprises.	■Y □N
12. The CPA has not engaged in any other business that could compromise their independence.	■Y □N
13. The CPA is not the spouse, direct blood relatives, direct marriage relatives or a relative within second degree in kinship with the management personnel of the Company.	■Y □N
14. The CPA has not received any commission related to the business.	■Y □N
15. As for now, there have been no incidents of the CPA disciplinary action or damage to the principle of independence.	■Y □N

The Audit Committee and the Board of Directors of the Company approved that the CPAs meet the requirements of independent assessment, the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and AQIs on March 11, 2026.

(4). Composition and operation of Remuneration Committee

The Board of Directors of the Company established Remuneration Committee and its articles of incorporation pursuant to Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. Remuneration Committee aims at facilitation of evaluation of remuneration, policy, and system for directors, supervisors, and managers from its profession and advises to Board of Directors for its decision making. Articles of incorporate of Remuneration Committee is accessible on the Company website.

A. Remuneration Committee members

April 30, 2026

<table>
<tr><th>Title</th><th>Credential / Name</th><th>Credential and experience</th><th>Independent (Note)</th><th>Number of other public companies where concurrently serving as a member of the Remuneration Committee</th><th>Remarks</th></tr>
<tr><td>Convenor Independent Director</td><td>Huang, Chung-Hui</td><td rowspan="4">Please refer to Profiles of Director(1) (P.9~15) for details on qualification and experience of Directors.</td><td rowspan="4">All committee members conform to the following:
1. Conforms to Financial Supervisory Commission decreed Art. 14-6 of Securities Exchange Act and relevant provisions of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange(Note).
2. A (substantial) shareholder, whose spouse or minor children are a shareholder of the Company.
3. No remunerated commercial, legal, financial, accounting, or other service by the Company or its affiliated companies within the past two years.</td><td>2</td><td></td></tr>
<tr><td>Independent Director</td><td>Huang, Wen-Ming</td><td>-</td><td></td></tr>
<tr><td>Independent Director</td><td>Tsao, Ching-Ming</td><td>-</td><td></td></tr>
<tr><td>Independent Director</td><td>Chiu, Li-Yin</td><td>1</td><td></td></tr>
</table>

Note: Not of any following matters for the past two years prior to and during service:

(1).An employee by the Company or its affiliated companies.

(2).A director or supervisor by the Company or its affiliarted companies.

(3).A shareholder, or whose spouse or minor children, or a substantial shareholder with a shareholding ratio over 1% or from top 10 of the Company as natural person.

(4).Manager of No. 1 or spouse, kinship within second grade, or immediate family within third grade of whom from aforementioned two items.

(5).A director, supervisor, or employee by legal person whose direct shareholding ratio of listed shares exceeds five percent, from top 5 by the Company, or an appointed behalf as a director or supervisor of whom by the Company pusuant to Art. 27-1 or 2 of Company Act.

(6).A director, supervisor, or employee in control of over half of Board of directors' seats or shareholding ratio of voting rights by the Company or other companies.

(7).With a second title as chairman, general manager, or an equivalent position, or spouse of whom by the Company or other companies or institutes, director (chief), supervisor (chief), or employee by other companies or institutes.

(8).A director(chief), supervisor(chief), manager by a specific company or institute of financial or business liaisons with the Company, or a shareholder with a shareholding ratio over five percent of the Company.

(9).A specialist having audited or having been remunerated over five hundred thousand NT$ with the past two years for one's commercial, legal, financial, accounting, or other relevant services, corporate owner, corporate partner, director (chief), supervisor (chief), manager with sole, partner proprietorship by the Company or affiliated companies, and spouse of whom, to which in case a member of Remuneration Committee, Public Tender Review Committee or Special Merger Committee who exercises one's power pursuant to the act or regarding provisions of Business Mergers And Acquisitions Act, is not subject.

B. Remuneration Committee operation

a. Total of 4 Remuneration Committee members of the Company.

b. Term of members of the 6th Committee: June 26, 2025 until June 25, 2028 A total of 4 Remuneration meeting (A) were held in 2025 member' credential and attendance to following:

Title	Name	Attendance in person(B)	Attendance by proxy	Attendance Rate (%)【B/A】(Note)	Remarks
Convenor	Huang, Chung-Hui	4	0	100	Re-elected on June 26, 2025
Member	Huang, Wen-Ming	4	0	100	Re-elected on June 26, 2025
Member	Tsao, Ching-Ming	4	0	100	Re-elected on June 26, 2025
Member	Chiu, Li-Yin	1	0	100	Newly appointed on June 26, 2025

Note: (1) In the event of menber departure takes place by the book closure date, their departure date shall be specified with actual presence ratio(%), counted by one's participation in Remuneration Committee meetings.

(2) In the event of election of menber by the book closure date, former and precedent menber shall both be specified, with annotation of either former or precedent on the menber column, newly- or re-elected and election date. Actual presence rate(%) is calculated by one's actual attended Remuneration Committee meetings during one's service.

Remuneration Committee responsibilities

The Committee shall faithfully perform the following duties with the care of a good administrator and submit its recommendations to the Board of Directors for discussion.

A. Formulate and regularly review the policies, systems, standards, and structures for performance evaluation and remuneration of Directors and managerial officers.

B. Regularly assess and determine the remuneration of Directors and managerial officers.

Implementation status for the year

During the past year, the Company's Remuneration Committee convened meetings to review and evaluate the Company's remuneration-related matters as follows:

Date of Remuneration Committee Meeting	Subject and subsequent processing	Resolution result	Company response to expression by Remuneration Committee
January 22, 2025	Amendments to "Year-End Bonus Regulation" by the Company.	Agreement and adoption by the Committee	Submitted to the Board of Directors and approved with unanimous consent of all Directors present
	Allocation of 2023 year-end bonus by the Company.		
March 7, 2025	Allocation of business performance for 2024Q4 by the Company.	Agreement and adoption by the Committee	Submitted to the Board of Directors and approved with unanimous consent of all Directors present
	Amendments to "Employee Remuneration Regulations" by the Company.		
	2024 employee and director/supervisor remuneration for subsidiary GREENCHEM INTERNATIONAL CO., LTD.		
	2024 employee and director/supervisor remuneration for subsidiary ELEMENTECH INTERNATIONAL CO., LTD.		
	2024 employee and director remuneration of the Company.		
May 8, 2025	Allocation of business performance for 2025Q1 by the Company.	Agreement and adoption by the Committee	Submitted to the Board of Directors and approved with unanimous consent of all Directors present
	Salary adjustment for senior executives of the Company.		
	Amendments to "Annual Bonus Regulations" and "Employee Remuneration Regulations" by the Company.		
November 6, 2025	Allocation of business performance for 2025Q3 by the Company.	Agreement and adoption by the Committee	Submitted to the Board of Directors and approved with unanimous consent of all Directors present
	Amendments to the Company's Job Grading and Salary Scale Table, and the salary adjustments.		
	Salary adjustment for senior executives of the Company.		

Other mentionable items:

A. 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 Remuneration Committee's opinion (E.g. the remuneration adopted by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.

B. Resolutions of the Remuneration Committee objected to by members or expressed reservations 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.

(5). Fulfillment of CSR and deviations and causes from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
1. Has the Company established CSR structure and (non-)exclusive CSR promotion unit? Has Board of Directors authorised high managerial positions solely and supervised?	✓		(1). The Company officially established the Sustainable Development Promotion Committee in February 2023, consisting of seven functional subcommittees: A. Sustainability Report Subcommittee; B. Greenhouse Gas Inventory and Carbon Footprint Subcommittee; C. Energy Conservation and Carbon Reduction Subcommittee; D. Eco-Family Subcommittee; E. Care and Concern Subcommittee; F. Integrity Governance and Risk Management Subcommittee; and G. Carbon Footprint Task Force. (2). The Company reports the "Sustainable Development Planning, Greenhouse Gas (GHG) Inventory, and Verification Plan and its Implementation Status" to the Board of Directors on a quarterly basis, presenting sustainability achievements and future work plans. In 2026, a total of four meetings were held, covering: A. quarterly progress updates on the Sustainability Report; B. quarterly progress updates on the GHG inventory; and C. resolutions made by the Sustainable Development Promotion Committee. (3). The Company's Board of Directors monitors the progress of the	No material deviation.

<table>
<tr><th rowspan="2">Promote item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause</th></tr>
<tr><th>Y</th><th>N</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>"Sustainable Development Planning, Greenhouse Gas (GHG) Inventory, and Verification Plan and its Implementation Status" on a quarterly basis.</td><td></td></tr>
<tr><td>2. Has the Company evaluated risks associating environment, society, and company governance regarding company operation and promulgated related risk management or strategy based on materiality principle?</td><td>✓</td><td></td><td>(1). The Company conducts risk assessments related to environmental, social, and corporate governance issues relevant to the Company's operations through the identification of key issues, impact assessment, significant issue information reporting, and annual review based on the identification process of significant issues in 2023, setting management goals and implementing relevant strategies for nine significant issues.
(2). This report covers the Company's sustainable development performance across its major operating sites from January to December 2025. The boundary for risk assessment focuses primarily on the parent company, with relevant management policies or strategies detailed as follows:
<table><tr><th>Material Topics</th><th>Management Approach / Strategy</th></tr><tr><td>Economic Performance</td><td>The Company continues to promote the optimization of its product portfolio, the improvement of production yields, and the control of costs and expenses in order to enhance operational performance and management resilience.</td></tr></table></td><td>No material deviation.</td></tr>
</table>

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	

Material Topics	Management Approach / Strategy
Materials Management	The Company implements its green procurement policy to select raw material suppliers that comply with restricted hazardous substance standards and possess international certifications; meanwhile, we enhance supply chain resilience through materials coordination, batch shipments, and self-owned production line expansion.
Sustainable Supply Chain Management	The Company operates in accordance with relevant standard procedures, including the "Procurement Management Procedures" and the "Supplier Evaluation, Assessment, and Guidance Procedures." Additionally, corporate social responsibility, environmental protection, human rights and labor standards, and business ethics are listed as reference items for supplier assessments.
Emissions	In alignment with the nation's new 2030 carbon reduction targets and the manufacturing sector control targets issued by the Ministry of Environment, the Company continuously drives greenhouse gas (GHG) emissions management.
Energy	The Company continues to promote energy management through measures including energy audits, equipment efficiency improvement, and energy loss reduction, and strengthens employee participation and education training.

<table>
<tr><th rowspan="2">Promote item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause</th></tr>
<tr><th>Y</th><th>N</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Material Topics</th><th>Management Approach / Strategy</th></tr>
<tr><td>Waste</td><td>The Company executes the management of waste storage, reporting, clearance, and disposal in accordance with the "Waste Management Procedures", and continuously reviews and revises it dynamically based on regulations. We promote waste classification and recycling, resource utilization, and internal waste reduction measures.</td></tr>
<tr><td>Chemicals Management</td><td>The Company establishes a full-lifecycle management mechanism for chemical procurement, storage, use, and waste disposal, and strengthens tracking, monitoring, and compliance with laws, regulations, and customer requirements through digitized systems.</td></tr>
<tr><td>Training and Education</td><td>Upholding our policy of 'pragmatic advancement and targeted, high-quality training', we empower our employees' professional capabilities and drive organizational competitiveness through systematic talent development and diverse learning resources.</td></tr>
<tr><td>Employment</td><td>Upholding our core philosophy of 'growing together and sharing success', we continuously strengthen labor-management relations by enhancing compensation and benefits, fostering open communication and grievance channels, and providing comprehensive employee care and career support.</td></tr>
</table>
</td><td></td></tr>
</table>

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
3. Environment (1). Has the Company established environment management industry-wise?	✓		(1). The Company and its subsidiaries strictly comply with EHS (Environmental, Health, and Safety) laws, regulations, and associated requirements. In alignment with international EHS trends, a senior EHS executive has been appointed to oversee environmental management. We continue to establish and enhance our environmental management systems while cultivating correct environmental mindsets among our colleagues. Notably, our Niansong Plant obtained the ISO14001 Environmental Management System certification in 2023 and has successfully completed the recertification audit for 2026. The Company verifies plant environmental management and social labor management using the Sustainable Apparel Coalition (SAC)'s sustainability measurement tool Higg FEM Plant Environmental Management and FLSM Social Labor Management at Main Plant site.	No material deviation.
(2). Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		(2). The Company and subsidiaries promote comprehensive energy reduction measures; meanwhile energy reduction for the plant is being worked on by replacing old energy-consuming equipment. Energy-reducing equipment is preferred for procurement. We encourage parties to improve energy consuming efficiency and inspect the capacity of high-energy consuming equipment. The Company is committed to Eco-Family, continuously exploring	No material deviation.

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
			various renewable materials, agricultural and fisheries waste materials, processing these environmentally friendly materials for manufacturing products that can replace petrochemical materials, reducing dependence on finite petrochemical resources, and simultaneously reducing negative environmental impacts. Our main focus lies in the development of environmentally friendly products, including the development of eco-friendly Velcro series, recycled textile yarn and fabric development, biomass rubber sponge materials series, biomass film materials (TPEE/TPAE), and water-based environmentally friendly adhesives (Supracoat).	
(3). Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		(3). The evaluation and response measures of climate change-related risks and opportunities are listed on pages 60~68 of this Annual Report.	No material deviation.
(4). Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	✓		(4). <u>Greenhouse Gas Emissions</u> The results of greenhouse gas (GHG) inventories, assurance status, and reduction policies for the Company and its subsidiaries are detailed on pages 60~68 of this annual report. <u>Water Management</u> The water consumption of the Company and its subsidiaries over the past two years is as follows:	No material deviation.

<table>
<tr><th rowspan="2">Promote item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause</th></tr>
<tr><th>Y</th><th>N</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Year</th><th>Water consumption (metric tons)</th></tr>
<tr><td>2025</td><td>128,004.0918</td></tr>
<tr><td>2024</td><td>128,016.6865</td></tr>
</table>
Total water consumption in 2025 remained consistent with that of 2024. Our water reduction policies include installing water-saving faucets throughout the plant to minimize daily waste, and recycling effluent from wastewater treatment for use in sludge dewatering machines, thereby achieving sustainable water recycling.
Please note that the water consumption data has not yet been third-party verified.
<u>Waste Management</u>
The waste generation of the Company and its subsidiaries over the past two years is as follows:
<table>
<tr><th>Year</th><th>Hazardous Waste (metric tons)</th><th>Non-Hazardous Waste (metric tons)</th><th>Total Weight (metric tons)</th></tr>
<tr><td>2025</td><td>7.7210</td><td>824.0261</td><td>831.7471</td></tr>
<tr><td>2024</td><td>3.4690</td><td>881.8484</td><td>885.3174</td></tr>
</table>
The total amount of industrial waste in 2025 decreased by 53.5703 metric tons compared to 2024.
Our ongoing waste reduction policies include:
A. Enhancing the recycling and reuse of industrial waste. For
</td><td></td></tr>
</table>

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
			instance, organic solvents are reused in-house, such as utilizing waste organic solvents for machine wiping; waste plastics are transported to physical treatment plants for shredding and pelletizing, then sent to final disposal facilities to serve as auxiliary fuel for cogeneration boilers, thereby mitigating environmental impacts. B. For general municipal waste, we strengthen employee education on waste classification to effectively improve the recycling and reuse of daily waste. Please note that the waste generation data has not yet been third-party verified.	
4. Social Topics (1). Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1). The Company and subsidiaries abide by Taiwan's Labor law, Universal Declaration of Human Rights, International Labor Organisation spirits and promulgated internal control system and relevant management guideline to ensure employees' legal rights and non-discratory policy in recruitment, etc. Taiwan's Labor law includes mainly following: A. Labor Standards Act B. Occupational Safety and Health Act C. Act of Gender Equality in Employment D. Employment Service Act E. Labor Insurance Act	No material deviation.

<table>
<tr><th rowspan="2">Promote item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause</th></tr>
<tr><th>Y</th><th>N</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>F. National Health Insurance Act
G. Act for Protecting Worker of Occupational Accidents
H. Employee Welfare Fund Act
I. People with Disabilities Rights Protection Act
J. Labor Pension Act
Aforesaid regulations are all abided by with promulgation of management guideline by the Company.
The Company advocates universal human rights as a policy and here is its implementation:
<table>
<tr><th>Universal human rights policy</th><th>Implementation by the Company</th></tr>
<tr><td>Child labor ban</td><td>The Company does not employ child labor and has established management procedures to prohibit the employment of child labor as well as remedial measures to address any inadvertent use.</td></tr>
<tr><td>Non-forced labor</td><td>Anti-punishment, forced Labor, prison Labor management procedure has been established. Foreign Labor contractors guard their own passports, passbooks, and debit cards.</td></tr>
<tr><td>Employee freedom of assembly and association</td><td>Protection management procedure of freedom of association and beliefs has been established. Employees are encouraged to take part in association activities and subsidised.</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promote item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause</th></tr>
<tr><th>Y</th><th>N</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Universal human rights policy</th><th>Implementation by the Company</th></tr>
<tr><td>Establishment of safe and healthy work environment</td><td>ISO-45001 and ISO-14001 management system has been established and qualified for external audit.</td></tr>
<tr><td>Compliance with basic wage</td><td>The minimum wage of the wage structure by the Company shall not be inferior to local basic wage and additional benefits shall be offered.</td></tr>
<tr><td>Legal work and breaks</td><td>The Company offers annual leaves, personal leaves, and relevant leaves by law. No work exceeding maximum legal labor hours is forced for employees.</td></tr>
<tr><td>Anti-discriminatory and anti-harassment</td><td>We have established an anti-discrinatory management procedure and sexual harassment reporting and response measures. We are dedicated to establishing a safe, fair, and healthy work environment.</td></tr>
<tr><td>Protection of female coworkers</td><td>We have established ISO-45001 management system and are dedicated to four projects regarding protection of employee health as a government policy.</td></tr>
</table>
Aforesaid is our compliance with universal human rights policy</td><td></td></tr>
</table>

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
(2). Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		(2). The Company and subsidiaries have established following: A. Remuneration complies with basic wage and reflects business performance or result in employee remuneration and bonus. B. Annual, personal, illness, menstrual, family-care, quarantine/accompany, maternal, maternal-care, maternal accompany, maternal-care accompany, wedding, funeral, and business leaves. C. Other benefits: a. Employee benefit remuneration: birthday gift money, new year gift, Lantern Festival gift money, child scholarship, liaised shops, maternity subsidy, wedding subsidy, family funeral subsidy, travel subsidy, hospitalisation subsidy, company insurance. b. Occasional self-owned products with employee discounts.	No material deviation.
(3). Does the Company provide a healthy and safe working environment and organise training on health and safety for its employees on a regular basis?	✓		(3). Employees are deemed important assets to the Company and subsidiaries. We offer a good work environment and training to enhance employee competency. In order to prevent occupational hazards and protect safety and health of all employees, we acquired occupational safety and health management system ISO45001 certificate (ref. 010-22002-O) in 2025. We implement management based on PDCA principle so that highly risky work is identified in workplace, and unacceptable risky work is selected for rectification. To ensure the physical and mental	No material deviation.

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
			health of employees, general health examinations are regularly provided to all employees every two years. Hired nurses collaborate with external occupational safety and health specialists to handle follow-up management, guidance, health education, and promotion for employees with abnormal health checkup results. We execute the Four Major Plans (Ergonomic Hazard Prevention, Prevention of Diseases Triggered by Abnormal Workloads, Prevention of Unlawful Infringement During Duty Execution, and Maternal Health Protection) and interview high-risk employees to prevent occupational diseases and protect employees' physical and mental health. In 2025, a total of 11 employee occupational accidents occurred within the Company's Taiwan operations, of which 7 were industrial safety accidents and 4 were traffic accidents. Based on the local occupational safety and health regulations of each operating base and the ISO 45001: 2018 occupational safety and health management system standard, the Company uses the PDCA cycle concept - Plan, Do, Check, Act as the basis of the management structure to construct an occupational safety and health management system and set up The Occupational Safety and Health Committee identifies all possible risks in the working environment, formulates management methods and control procedures, and regularly conducts internal audits to effectively	

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
			prevent various accidents and protect the health and safety of workers. The Company has formulated "Emergency Response Management Procedures" in response to various disaster events. The fire emergency response organization and work responsibilities are clearly defined in the procedures, and fire protection plans are submitted in accordance with the law. Fire prevention managers are set up in each plant area and hold two meetings every year. Fire drills are conducted to promote fire prevention knowledge and improve personnel's fire prevention awareness, so that personnel are familiar with emergency escape routes and emergency measures. At the same time, fire protection equipment is regularly inspected and maintained to ensure that it is in normal working condition. There were no fire incidents in 2025.	
(4). Does the Company provide its employees with career development and training sessions?	✓		(4). The Company and subsidiaries have established employee training system, in order to facilitate the establishment of employee competency, which ranges from the following four: A. Onboard training: Employees are oriented with onboard training to familiarise them with company culture, rules and safety and health rules, so that employees are familiarised with work environment. B. OJT training: each department conducts annual OJT training based on our fellows' competence requirements.	No material deviation.

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
			C. Annual training: HR arranges annual training based on training requirements proposed by each department in combination with company strategy and targets. D. External training: each party assigns personnel or employees appli for training at external institutes. E. Other occasional or training by protect.	
(5). Do the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		(5). The products and services of the Company and its subsidiaries strictly adhere to relevant regulations and international standards, with a professional consultation window established to provide customers with comprehensive technical and compliance support. Numerous products have obtained OEKO-TEX® and bluesign® certifications, demonstrating our profound commitment to safety and sustainability. Furthermore, the Company conducts annual reviews to ensure product compliance with the latest chemical control requirements—including the EU REACH SVHC (Substances of Very High Concern) list and the US California Proposition 65 testing list for consumer textiles. This guarantees that all users can enjoy a safe, healthy, and worry-free experience when selecting or using our products.	No material deviation.

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
(6). Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights and its implementation?	✓		(6). The Company and subsidiaries promulgated supplier evaluation orientation procedure and cooperation contract on supplier principle and conduct; it ensures raw materials comply with order or contractual quality, comply with belonging locale or local law of trade, and human rights requirements of employees. Should suppliers violate environment protection, occupational safety health, or Labor rights or other regulatory, the Company will re-evaluate the agreement and potential.	No material deviation.
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as corporate social responsibility reports? Do the reports above obtain assurance or guarantee from a third party verification unit?	✓		In accordance with the international GRI Standards 2021, the Sustainability Accounting Standards Board (SASB) industry standards for Apparel, Accessories & Footwear, and the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", the Company published its inaugural "2020 Sustainability Report" in 2021. t recently, we released the "2024 Sustainability Report" in 2025 and made it publicly available on our corporate website. Although the report has not yet been certified by a third-party assurance body, we are committed to continuously refining our preparation process annually and plan to obtain third-party assurance or verification in the near future.	No material deviation.
6. Should the Company have established CSR guideline pursuant to Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please specify its deviation hereof in implementation: The Company has established CSR principle and has no material deviation from practice.				

Promote item	Implementation status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and cause
	Y	N	Summary	
7. Other useful information for explaining the status of corporate social responsibility practices: The Company and subsidiaries abide by life and environment respect as core value, as well as promotion of CSR. Eco-familiy strategy has been promulgated towards green products' integration with 3R-Replace, Recycle, Reduce, in order to develop biotech and circular economy; we have acquired USDA biomass product label, Oeko-Tex Standard 100 certification, Bluesign certification, UL certification, FSC Forest Stewardship Council verification, Sustainable Apparel Alliance (SAC) sustainability measurement tool Higg FEM plant environmental management and FLSM social labor verification, etc. Various green product certifications and verifications; and been promoting energy saving, carbon and waste reduction movements as environmental protection; we appreciate all-round development of employees, human rights, justice, careerpath as for the society. We were chosen as 1111 Human Resources' Happy Companies for 2025. Other CSR promotions have been disclosed in same annual report.				

Disclosure of climate-related information for listed companies - Execution status of climate-related information

Item	Implementation status
1. Describing the supervision and governance of the board of directors and management on climate-related risks and opportunities.	(1). The Company regularly convenes the Board of Directors, and the Sustainable Development Promotion Committee reports to the board of directors on the greenhouse gas inventory and verification schedule and implementation status quarterly as required by the Financial Supervisory Commission. (2). The Company has established the Sustainable Development Promotion Committee, which consists of seven functional subcommittees: A. Sustainability Report Subcommittee B. Greenhouse Gas Inventory and Carbon Footprint Subcommittee C. Energy Conservation and Carbon Reduction Subcommittee D. Eco-Family Subcommittee E. Care and Concern Subcommittee F. Integrity Governance and Risk Management Subcommittee G. Carbon Footprint Task Force. Meetings are held twice a year, reviewing the Company's climate change strategy and goals at the beginning of each year, managing climate change risks and opportunities, reviewing implementation progress, discussing future plans, and reporting to the board of directors. The Integrity Governance and Risk Management Subcommittee is authorized by the Sustainable Development Promotion Committee to lead and identify potential climate risks and opportunities. Significant risks and opportunities are identified every 3 years, with annual reviews to ensure appropriateness. (3). The Company conducted its first climate risk assessment in 2023, focusing on high-risk factors from 12 climate risk items for subsequent analysis. The Company also identified feasible opportunities and formulated response measures. In terms of climate change mitigation, the Company is developing low-carbon production, energy management, and carbon information disclosure projects; in terms of climate change adaptation, the Company has implemented enhanced disaster prevention measures and improved the resilience of the supply chain to climate change.
2. Describing how identified climate risks and opportunities affect business, strategy, and finance (short-term, medium-term, long-term).	(1). The Sustainable Development Promotion Committee discusses and identifies climate risks and opportunities affecting the Company at its annual meeting, and, in conjunction with external experts, assesses the likelihood and financial impact to screen for significant transformational climate risks, physical climate risks, and transformational climate opportunities. The risk interval definition is short-term for 1-3 years, medium-term for 3-10 years, and long-term for over 10 years.

Item	Implementation status
	(2). Material climate-related risks and opportunities are described below:

Risk / Opportunity category	Risk / Opportunity item	Description of risks and strategies	Time Horizon
Transition Risks	Policy and Legal: Increased pricing of GHG emissions	A. Taiwan is expected to levy carbon fees annually on major electricity consumers starting in 2026, with the scope gradually expanding to include general enterprises. B. The international community continues to promote carbon taxes and Carbon Border Adjustment Mechanisms (CBAM).	Short / Medium / Long-Term
Transition Risks	Policy and Legal: Enhanced emissions-reporting obligations	A. Regulatory mandates require enterprises to install self-generated renewable energy equipment, purchase renewable energy certificates (RECs), pay a penalty-in-lieu, or invest in energy-saving equipment. B. Green energy policies carry the risk of power instability or shortages, which may lead to government-enforced power rationing and directly or indirectly cause operational disruptions. C. Based on current assessments, the emissions of each single plant do not exceed 4,000 metric tons of CO2e. It is projected that the Company will only face material carbon fee risks if free carbon allocations are completely abolished by 2034.	Short / Medium / Long-Term
Transition Risks	Market: Shifts in consumer preferences / Changes in customer behavior	Customers demand the monitoring and reduction of carbon emissions, and the Company may need to comply with brand customers' supply chain carbon reduction regulations in the future. Failure to comply could lead to potential losses from shifted orders.	Short / Medium / Long-Term
Climate-Related Opportunities	Market: Increased cost of raw materials	The Company's purchasing costs may increase due to suppliers' expenses related to adopting or developing new energy-saving and carbon-reduction technologies, procuring carbon-reduction equipment, or purchasing renewable energy and carbon credits.	Short / Medium / Long-Term

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>
<table>
<tr><th>Risk / Opportunity category</th><th>Risk / Opportunity item</th><th>Description of risks and strategies</th><th>Time Horizon</th></tr>
<tr><td>Climate-Related Opportunities</td><td>Markets:
Development of new markets</td><td>Securing orders for eco-friendly and green materials from brand customers.</td><td>Short / Medium / Long-Term</td></tr>
<tr><td>Climate-Related Opportunities</td><td>Resource Efficiency:
Use of more efficient production and distribution processes</td><td>Identifying energy-saving opportunities through product carbon footprint analysis.</td><td>Short / Medium / Long-Term</td></tr>
</table>
</td></tr>
<tr><td>3. Describing the financial impact of extreme weather events and transformation actions.</td><td>Acute physical risks (impact of extreme weather events) such as short-term droughts or heavy rains leading to increased maintenance costs or operational disruptions, thereby increasing operating costs, reducing revenue, and asset losses. Currently, none of the Company's Taiwan plants are located in high-risk flooding zones. Furthermore, backup underground water sources are maintained on-site to mitigate water scarcity risks. For severe windstorms such as typhoons, the Company mitigates financial risks through existing typhoon and flood insurance policies, while implementing safety patrols prior to and during storms to minimize potential hazards.</td></tr>
<tr><td>4. Describing how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.</td><td>The Sustainable Development Promotion Committee conducts climate risk and opportunity identification and assessment every three years, with annual reviews for adjustments based on actual operational environments. Routine risk management is conducted by various business units according to internal control procedures, with regular reporting of progress and results to the Sustainable Development Promotion Committee by each working group.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts should be</td><td>The Company establishes climate scenarios based on physical risks, transition risks, and climate-related opportunities. Recognizing that climate-related risks and opportunities will influence our future strategies and financial planning, we adopt the following scenario analyses to assess our climate strategic resilience:
● Transition Risk Scenarios: The Stated Policies Scenario (STEPS, 2.6°C) and the Net Zero Emissions by 2050 Scenario (NZE, 1.5°C) developed by the International Energy Agency (IEA).
● Physical Risk Scenarios: The SSP1-2.6 and SSP5-8.5 scenarios from the Taiwan Climate Change Projection Information</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>explained.</td><td>and Adaptation Knowledge Platform (TCCIP) (based on the IPCC AR6 framework), utilizing the 'Climate Change Overview by County and City' specifically for Tainan City.
<table>
<tr><th>Risk / Opportunity category</th><th>Risk / Opportunity item</th><th>Estimated financial impact</th></tr>
<tr><td>Transition Risks</td><td>Policy and Legal: Increased pricing of GHG emissions</td><td rowspan="2">A. Taiwan will begin levying carbon fees on major carbon emitters (with annual emissions exceeding 25,000 metric tons) starting in 2026. It is projected that the Company will face carbon fee liabilities starting from 2034, with fines for excess emissions reaching up to NT$1,500 per metric ton.
B. Pursuant to Article 12 of the Renewable Energy Development Act, major electricity consumers are mandated to increase their proportion of renewable energy use. Users whose contract capacity exceeds a specified threshold must install a designated capacity of renewable energy generation or energy storage equipment; those unable to comply must alternatively purchase Renewable Energy Certificates (RECs) or pay a penalty-in-lieu. The Company's current contract capacity stands at 2,926 kW. Once the solar power generation systems at the Niao Song and Ren Ai plants are reclaimed for self-use in the future, the Company will comply with the Tainan City Government local ordinance, which requires enterprises with a capacity of 800 kW or above to install renewable energy capacity equivalent to 10% of their electricity consumption within 3 years of the public announcement. Purchasing bundled RECs is estimated to increase the cost of electricity by NT$1.3 per kWh.
C. Carbon Fees and Excess Emission Costs as a Percentage of Revenue
(STEPS Scenario)
● Before mitigation strategies: 0.871%~2.457% (2034-2050)
● After mitigation strategies: 0.786%~1.593% (2034-2050)
(NZE Scenario)
● Before mitigation strategies: 1.171%~2.132% (2034-2050)
● After mitigation strategies: 1.067%~2.002% (2034-2050)</td></tr>
<tr><td>Transition Risks</td><td>Policy and Legal: Enhanced emissions-reporting obligations</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td></td><td>
<table>
<tr><th>Risk / Opportunity category</th><th>Risk / Opportunity item</th><th>Estimated financial impact</th></tr>
<tr><td>Transition Risks</td><td>Market:
Shifts in consumer preferences / Changes in customer behavior</td><td>To enhance corporate image and reputation, customers have increased their demand for low-carbon products (requiring product carbon footprint verification). This introduces a risk of canceled orders, which could subsequently affect the Company's market share and lead to declining revenue or increased operational costs. This risk is anticipated to have a minimal impact in the short term, but the Company will face order cancelation risks over the medium to long term. Currently, no reasonable data is available to quantify the exact financial impact.</td></tr>
<tr><td>Climate-Related Opportunities</td><td>Market:
Increased cost of raw materials</td><td rowspan="2">Production costs are rising due to the procurement of low-carbon materials in response to market demands, as well as increasing electricity rates. The annual procurement cost for raw materials is projected to increase by NT$8 million. Additionally, electricity rates are expected to adjust upward by 3.5% annually over the next three years (2026– 2028).</td></tr>
<tr><td>Climate-Related Opportunities</td><td>Markets:
Development of new markets</td></tr>
<tr><td>Climate-Related Opportunities</td><td>Resource Efficiency:
Use of more efficient production and distribution processes</td><td>The Company conducts comprehensive inventories of energy-consuming equipment across all business divisions, phasing out and replacing legacy equipment based on factors such as service life and power consumption. Through these initiatives, the Company projects a reduction in electricity and natural gas emissions of approximately 269 metric tons of CO_{2e} by 2030.</td></tr>
</table>
</td></tr>
<tr><td>6. If there is a transformation plan to manage climate-related risks, the content of the plan, as well as the indicators and objectives used to identify and manage physical and transition risks, should be explained.</td><td>Once the baseline investigation of greenhouse gas inventory and energy equipment is completed, specific risk transformation response plans and control indicator goals will be formulated. Currently, relevant energy-saving measures have been initiated as follows:
Initiating energy-saving and carbon reduction actions based on corporate social responsibility and goals of sustainable green production, aiming to reduce paper usage and greenhouse gas emissions. Specific measures include the phased replacement of legacy, high-energy-consuming equipment across business divisions, the optimization of boiler combustion efficiency, continuous monitoring of production line electricity use, and the analysis of energy consumption hotspots. For 2026, the Company has set a greenhouse gas reduction target to achieve a 10% reduction in emissions compared to the 2022 base year.</td></tr>
</table>

Item	Implementation status
7. If internal carbon pricing is used as a planning tool, the pricing basis should be explained.	An internal carbon pricing mechanism has not yet been established or implemented. In the future, the Company will formulate this price by carefully considering domestic and international carbon market prices, greenhouse gas regulations, and internal carbon reduction costs. The established price will then serve as a key reference for carbon reduction management and strategic planning.
8. If climate-related goals are set, information should be provided on the activities covered, greenhouse gas emission scopes, planning periods, annual progress, etc. If carbon offsetting or purchase of renewable energy certificates (RECs) is used to achieve relevant goals, the sources and quantities of offset carbon credits or RECs should be explained.	In alignment with the National Phase III Greenhouse Gas Manufacturing Sector Reduction Targets, the Company has established its 2030 greenhouse gas emissions reduction target (Scope 1 and 2) to achieve an 18% reduction compared to the 2022 base year (representing an average annual reduction of 2.25%). As of the end of 2025, the Company achieved an 18.90% reduction in greenhouse gas emissions compared to the 2022 base year (an average annual reduction of 6.30%), successfully meeting our projected reduction target ahead of schedule. Decisions regarding the future utilization of carbon offsets or the procurement of Renewable Energy Certificates (RECs) will be dynamically adjusted based on ongoing emission reduction performance.
9. Disclosure of greenhouse gas inventory and verification status, reduction goals, strategies, and specific action plans.	Please refer to the description below.

1-1 Greenhouse gas inventory and assurance status in the past two years

1-1-1 Greenhouse gas inventory information

Please state the greenhouse gas emissions (metric tons of CO_{2e}), intensity (metric tons of CO_{2e} /million), and data coverage scope of the recent two years.

2025	Total Emissions (metric tons of CO_{2e})		Intensity (metric tons of CO_{2e} / NT$ Million) (Note 4)	Assurance Provider	Description of Assurance Status (Note 3)
	NL (Third-Party Assurance)	All Consolidated Entities (Self-Inventory)			
Scope 1 (Note 1)	2,828.5632	173.5906		Legendary & Steadfast Accountancy (LSA)	The 2025 data for the Company has been verified and assured by Legendary & Steadfast Accountancy (LSA). The comprehensive independent assurance report will be disclosed on the Company's official website under the 'Sustainability' section.
Scope 2 (Note 2)	3,379.8955	3,298.2302			
Subtotal	6,208.459	3,471.822			
Total	9,680.281		3.664		
2024	**Total Emissions (metric tons of CO_{2e})**		**Intensity (metric tons of CO_{2e} / NT$ Million) (Note 4)**	**Assurance Provider**	**Description of Assurance Status (Note 3)**
	NL (Self-Inventory)	All Consolidated Entities (Self-Inventory)			
Scope 1 (Note 1)	3,395.8904	181.3525		None	The data for fiscal year 2024 has not undergone verification by an independent third-party assurance body.
Scope 2 (Note 2)	3,741.9637	3,113.9528			
Subtotal	7,137.854	3,295.306			
Total	10,433.160		3.595		

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions resulting from the purchase of electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions from company activities not covered by energy indirect emissions, but from other sources owned or controlled by other companies).

Note 2: The scope of direct emissions and energy indirect emissions data shall be processed according to the schedule specified in Article 10, paragraph 2 of this standard, while information on other indirect emissions may be voluntarily disclosed.

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

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but data calculated based on revenue (in NT$ million) should be disclosed at least.

1-1-2 Greenhouse gas assurance information:

Describing the assurance situation in the past two years as of the date of annual report printing, including the assurance scope, assurance entity, assurance criteria, and assurance opinion.

- Description of 2025 assurance Status
  - ◆Assurance Scope: NAM LIONG GLOBAL CORPORATION
  - ◆Assurance Provider - Legendary & Steadfast Accountancy (LSA)
  - ◆Assurance Standard: Standard on Assurance Engagements (TWSAE) 3410, "Assurance Engagements on Greenhouse Gas Statements"
  - ◆Assurance Opinion: Category 1 and Category 2 — Limited Assurance
- Description of 2024 assurance status
  - ◆The data for fiscal year 2024 has not undergone verification by an independent third-party assurance body.

Note 1: Processing shall be carried out according to the schedule specified in Article 10, paragraph 2 of this standard. If the Company fails to obtain a complete greenhouse gas assurance opinion by the printing date of the annual report, it shall be noted as "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall be noted as "Complete assurance information will be disclosed on the MOPS", and complete assurance information shall be disclosed in the annual report for the next fiscal year.

Note 2: The assurance institution shall comply with the relevant regulations of the Taiwan Stock Exchange Corporation and the Securities and Futures Institute regarding the assurance institution in the sustainability report.

Note 3: For details on the disclosure content, please refer to the Best Practice Examples on the Corporate Governance Center website of the Taiwan Stock Exchange (TWSE).

1-2 Greenhouse gas reduction targets, strategies, and specific action plans: Describing the baseline year and data, reduction targets, strategies, specific action plans, and achievement status of the reduction targets.

Base year and reduction targets for greenhouse gas emissions

- 2026 Short-term Target: 10% reduction in emissions compared to the 2022 baseline year.
- 2030 Mid-term Target: 18% reduction in emissions compared to the 2022 baseline year.
- 2050 Long-term Target: Net Zero Emissions.

Greenhouse gas reduction strategies and specific action plans

Leading government regulations, the Company introduced the ISO 14064-1:2018 greenhouse gas inventory system early and obtained third-party assurance, committing to achieve the 2050 net-zero emission pathway. In addition to the internal tentative electricity saving target of 1% per year, it plans to update the main energy-consuming equipment of business units in 2026, with a total investment amount of about 7.6 million NT$, which is expected to achieve a total carbon reduction of about 121.33 tons.

Achievement status of reduction targets

As of the end of 2025, the Company achieved an 18.90% reduction in greenhouse gas emissions compared to the 2022 base year (an average annual reduction of 6.30%), successfully meeting our projected reduction target.

(6). Fulfillment of ethical corporate management and deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and measures taken

Evaluation item	Implementation status			Deviation from ethical corporate management for TWSE/GTSM Listed Companies and cause
	Y	N	Summary	
1. Establishment of ethical corporate management policies and programmes				
(1). Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		(1). The Company has promulgated Ethical Corporate Management Best Practice Principles to which directors, managers, and employees are subject, and shall pay attention to good manager principle and be obliged to layality, and operate duties based on principle of integrity and credibility.	No material deviation.
(2). Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Principles for TWSE/TPEX Listed Companies?	✓		(2). The Company promulgated Ethical Corporate Management Best Practice Principles and Ethical Corporate Procedure and Conduct Guideline to which highly ethically risky conducts within scope of operation are subject.	No material deviation.

Evaluation item	Implementation status			Deviation from ethical corporate management for TWSE/GTSM Listed Companies and cause
	Y	N	Summary	
(3). Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	✓		(3). The Company prohibits fraud and profiteering and insider trading by Ethical Corporate Management Best Practice Principles and Ethical Corporate Procedure and Conduct Guideline with punishment and appeal approaches. The Company pays attention to development of domestic and international ethical corporate provisions, to which the ethical corporate and promotion measures of the Company are pursuant for review, in order to improve the implementation of ethical corporate.	No material deviation.
2. Implementation of ethical corporate management (1). Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1). The Company and affiliates conduct fair and transparent business activities and is informed of credit history of the trading partners via background check and open information. The contract with clients shall include Ethical Corporate Management Best Practice Principles policy and clauses that stipulate in the event of violation to ethics by the trading partner, suspension or termination of contract will apply at any time.	No material deviation.
(2). Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the	✓		(2). Finance department is in charge of Ethical Corporate Management Best Practice Principles by the Company and is supervised by the Board of Directors.	No material deviation.

Evaluation item	Implementation status			Deviation from ethical corporate management for TWSE/GTSM Listed Companies and cause
	Y	N	Summary	
Board of Directors while overseeing such operations?				
(3). Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3). Directors, Managers, and Employees by the Company and affiliates shall abide by regulation and internal control standard. All Rmployees shall sign an NDR. They are obliged to maintain operation, documents and clients' information, etc. absolutely confidential. Meeting guideline for Board of Directors by the Company states avoidance shall apply in the event that directors have conflict of interests with subject matters of the meeting or the legal person one respresents.	No material deviation.
(4). Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessment and promulgate audit plans to audit the systems accordingly to prevent unethical conduct, or commission external auditors to audit?	✓		(4). The Company and affiliates promulgated and implement effective audit system, internal control system, internal audit system and management guideline which auditors conduct spot check; it may be commissioned to CPA auditors. A specialised agency may be commissioned herefor.	No material deviation.
(5). Does the Company regularly hold internal and external training on ethical corporate management?	✓		(5). The Company and affiliates organise meetings and trainings regularly and promote Ethical Corporate Management Best Practice Principles and relevant provisions.	No material deviation.

Evaluation item	Implementation status			Deviation from ethical corporate management for TWSE/GTSM Listed Companies and cause
	Y	N	Summary	
3. Whistle-blowing implementation (1). Has the Company established both a reward/disciplinary system for whistle blowing, and personnel exclusive for defendant appeal?	✓		(1). The Company and affiliates allow reporting unethical conducts to competent supervisors against violation to Ethical Corporate Management Best Practice Principles and as well to a management member. Upon reception of reporting, the management will report the chairman; the chairman will assign to investigate independently.	No material deviation.
(2). Has the Company promulgated a standard investigation procedure against whistle-blowing, and follow-up measures and confidential measures post-investigation?	✓		(2). The Company and affiliates shall maintain reporting confidential during investigation, so that it will cause no irrelevant disruption or impact to the whistleblower. Subsequent measures will be taken after the completion of the investigation based on its gravity; it will be reported to the competent authority or judicial institute if applicable.	No material deviation.
(3). Does the Company provide whistleblower protection against improper aftermath?	✓		(3). The Company and affiliates shall maintain the confidentiality of the whistleblower, and protect and secure the whistleblower and reporting. The relevant involved in the investigation hereof shall not disclose, in order to make sure the whistleblower does not incur any improper aftermath, revenge, or threat.	No material deviation.
4. Reinforcement of information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	✓		The Company has disclosed Ethical Corporate Management Best Practice Principles details on the Company website and MOPS.	No material deviation.

Evaluation item	Implementation status			Deviation from ethical corporate management for TWSE/GTSM Listed Companies and cause
	Y	N	Summary	
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: Conduct of the Company and affiliates with each trading partner is arranged based on Ethical Corporate Management Best Practice Principles, which was adopted by the Board of Directors. Board of Directors and the management are committed to implementing and in internal management and external business activities.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies (e.g., review and amendment to Ethical Corporate Principles in terms of company policies): Integrity is the basis of the Company and affiliates. We urge all employees to be integrate and responsible for investors, users, and the society. Besides, the trading partners with the Company and affiliates are mostly long liaised. All contact with major trading partners is participated in by major management and specialists as a team, in order to ensure fair and open business principle and secure long and sound relations.				

(7). Other important disclosure regarding corporate governance is accessible via: the Company has disclosed on MOPS for latest information updated for shareholders by the Company

A. In order to manage internal material information, the Company has informed all directors and managers of Insider Trading Prevention Guideline, in order to prevent insider trading.

B. MOPS: http://mops.twse.com.tw

C. Company website: http://www.namliong-global.com

(8). Implementation of internal control system shall disclose following

A. Statement on Internal Control: https://mops.twse.com.tw/mops/#/web/t06sg20

B. CPA audit report shall be disclosed against Internal control system commissioned to CPA audit: None.

(9). Important resolution of Board of Shareholders and Directors

A. Conclusion and Implementation from Board of Shareholders and Directors Meetings by end of recent fiscal year and until annual report closure:

Date of meeting	Resolution
Annual Shareholders' meeting on June 26, 2025	Report Matters: 1. 2024 Business Report. 2. Audit Committee's Review Report on the 2024 Financial Statements. 3. Distribution of Employees' and Directors' Compensation in 2024. 4. Report on Director Remuneration for 2024. 5. Report on Investment Business. Acknowledgement Matters: 1. Adoption of the 2024 Business Report and Financial Statements. 2. Adoption of the Proposal for 2024 Distribution of Earnings. Discussion Matters: Amendment to the Company's "Articles of Association". Election Matters: Re-election of Directors (including Independent Directors). Other Proposals: Discussion to Approve the Lifting of Non-Competition Restrictions for New Directors of the Company.

B. Important resolution of Board of Directors in recent year and by end of closure date of annual report

Date of meeting	Resolution
January 22, 2025	• Adoption of amendment to "Year-end Bonus Measures" by the Company. • Adoption of allocation of 2024 year end bonus by the Company.
March 12, 2025	• Adoption of allocation of business performance for 2024Q4 by the Company. • Adoption of "Remuneration Received as Employee Measures " by the Company. • Adoption of 2025 parent company only financial statement, consolidated financial statement and business report. • Adoption of 2024 distribution of earnings by the Company. • Adoption of 2024 employees' and directors' and compensation by the Company. • Adoption of 2024 internal control system disclaimer by the Company. • Adoption of 2025 business plan proposal by the Company. • Adoption of commission of CPA independence evaluation for 2025. • Adoption of commission of CPA agency by the Company for 2025. • Adoption of the short-term credit line of the Export-Import Bank of the Republic of China Tainan Branch was repaid on December 31, 2024. In view of actual business needs, we plan to apply for a new limit. • Adoption of the short-term comprehensive quota of Shin Kong Bank Dong Tainan Branch was expired on January 1, 2025. In view of actual business needs, we plan to apply for renewal. • Adoption of the application for a syndicated loan with a total credit line of NT$900 million to the lending consortium led by Land Bank of Taiwan as the managing bank. • Adoption of re-election of directors (including independent directors) • Adoption of release of newly Aappointed directors and their representatives from non-competition restrictions • Adoption of the Board of Directors resolved to convene the 2025 Annual Shareholders' Meeting
May 8, 2025	• Adoption of 2025Q1 consolidated financial statements by the Company. • Adoption of allocation of business performance for 2025Q1 by the Company. • Adoption of the salary adjustment for the Company's senior executives. • Adoption of amendment to "Articles of Incorporate" by the Company. • Adoption of amendment to "Year-end Bonus Measures" and "Remuneration Received as Employee Measures" by the Company. • Adoption of amending the Company's approval authority form. • Adoption of Director (including Independent Director) nomination and qualification review. • Adoption of Bangkok Bank approved limit. • Adoption of plans to initiate a preliminary feasibility assessment for investment and factory establishment in Indonesia.

Date of meeting	Resolution
June 26, 2025	• Election of the Company's new Chairman. • Adoption of the appointment of members to the Company's 6th Remuneration Committee.
August 7, 2025	• Adoption of 2025Q2 consolidated financial statements by the Company. • Adoption of the Company obtaining credit facilities from banks. • Adoption of First Bank Tainan Branch's short-term credit line is NT$30 million and was expired on August 14, 2025. In view of actual business needs, we plan to apply for renewal.
November 6, 2025	• Adoption of the retirement application submitted by the Company's Strategy Director, Wang, Chuan-Cheng. • Adoption of the proposal to eliminate the position of Strategy Director within the Company. • Adoption of 2026 audit plan by the Company. • Adoption of 2025Q3 consolidated financial statements by the Company. • Adoption of proposal for the amendments to the Company's Internal Control System and Detailed Enforcement Rules for Internal Audit. • Adoption of land lease case of the Company's main plant. • Adoption of allocation of business performance for 2025Q3 by the Company. • Adoption of the amendments to the Company's Job Grading and Salary Scales, as well as the salary adjustment plan. • Adoption of salary adjustment for senior executives of the Company.
February 10, 2026	• Adoption of amendment to "Year-end Bonus Measures" by the Company. • Adoption of amendment to "Remuneration Received as Employee Measures" by the Company. • Adoption of allocation of 2025 year end bonus by the Company. • Adoption of the retroactive salary adjustment for the Company's Audit Chief, Assistant Manager Lai, Jen Ching. • Adoption of the proposal to define the scope of entry-level employees. • Adoption of the short-term comprehensive credit line of Mega International Commercial Bank Tainan Branch expires on December 15, 2025. In view of actual business needs, we plan to apply for renewal. • Adoption of the short-term comprehensive credit line of Taiwan Shin Kong Commercial Bank, Yongkang Branch expires on February 25, 2026. In view of actual business needs, we plan to apply for renewal. • Adoption of the short-term comprehensive credit line of Export-Import Bank of the Republic of China, Tainan Branch expires on April 8. In view of actual business needs, we plan to apply for renewal.

Date of meeting	Resolution
March 11, 2026	• Adoption of allocation of business performance for 2025Q4 by the Company. • Adoption of 2025 parent company only financial statement, consolidated financial statement and business report. • Adoption of 2025 distribution of earnings by the Company. • Adoption of 2025 employees' and directors' and compensation by the Company. • Adoption of 2025 internal control system disclaimer by the Company. • Adoption of 2026 business plan proposal by the Company. • Adoption of commission of CPA independence evaluation for 2026. • Adoption of commission of CPA agency by the Company for 2026. • Adoption of the amendments to the Company's Internal Control System. • Adoption of the amendments to partial provisions of the Company's "Sustainable Development Best Practice Principles." • Adoption of the amendments to partial provisions of the Company's "Corporate Governance Best Practice Principles." • Adoption of the Board of Directors resolved to convene the 2025 Annual Shareholders' Meeting.
May 7, 2026	• Adoption of 2026Q1 consolidated financial statements by the Company. • Adoption of allocation of business performance for 2026Q1 by the Company. • Adoption of the short-term comprehensive credit line of Bangkok Bank, Kaohsiung Branch expires on May 15, 2026. In view of actual business needs, we plan to apply for renewal.

(10). Recorded or written objection summary of directors or supervisors against material adoption by end of recent year or closure of annual report: None.

4. CPA commission details

Unit: NT$ thousands

<table>
<tr><th>Audit agency</th><th>Auditor</th><th>Audit term</th><th>Commission</th><th>Non-Audit commission</th><th>Total</th><th>Remarks</th></tr>
<tr><td rowspan="3">Deloitte & Touche</td><td>Chang, Cheng-Hsiu</td><td rowspan="3">January 1, 2025 to December 31, 2025</td><td rowspan="2">4,070</td><td rowspan="2">430 (Tax Compliance Audit)</td><td rowspan="2">4,500</td><td rowspan="2"></td></tr>
<tr><td>Huang, Hsiu-Chun</td></tr>
<tr><td>Hsu, Ying-Ying</td><td>-</td><td>220 (Note)</td><td>220</td><td></td></tr>
</table>

Note: Mainly related to transfer pricing and business registration changes.

(1). Change of audit agency and if reduction in remunerated commssion to previous fiscal year, please disclose the old and new commission and reason: N/A.

(2). **If reduction over 10% in remunerated commssion to previous fiscal year, please disclose the old and new commission, ratio and reason: N/A.**

5. **Details on change of auditors: None.**

6. **Disclose chairman, general manager, financial or accounting manager having served at the CPA agency or its affiliated business within the past year with their names and titles, and term of service at CPA agencies or its affiliates: None.**

7. **Transfer of shares from director, manager whose shareholding ratio is over 10% and alteration in stock pledge by end of fiscal year and closure of annual report**

(1). **Stock Transfer:**

Stock Transfer

Name	Reason of stock transfer	Date of transaction	Trading partner	Relations between trading partner with company, directors, supervisors, managers, and shareholders with a shareholding ratio over ten percent	Number of shares	Price
None						

(2). **Changes in equity pledge: None.**

8. Disclosure of top ten shareholders per ratio, or relatives, spouse, kinship within 2nd grade hereto

Top ten shareholders per ratio and relations among them

April 25, 2026; Unit: share; %

Name	Shareholding		Shareholding by spouse, minor children		Substantial shareholding		Top ten shareholders per ratio, or relatives, spouse, kinship within 2nd grade hereto		Remarks
	Number of shares	%	Number of shares	%	Number of shares	%	Name	Relation	
ZI LIONG ENTERPRISE CO., LTD.	88,221,501	72.07	-	-	-	-	-	-	
Representative: Shao, Ten-Po	-	-	-	-	-	-	-	-	
HONG LI TEXTILE CO., LTD.,	2,068,000	1.69	-	-	-	-	-	-	
Representative: Shao, Ten-Po	-	-	-	-	-	-	-	-	
Hung, Che-Yao	1,998,000	1.63	-	-	-	-	-	-	
EVER DEVELOPMENT INVESTMENT CO., LTD.	1,357,760	1.11	-	-	-	-	-	-	
Representative: Shao, Ten-Po	-	-	-	-	-	-	-	-	
Hsieh, Chih-Lin	1,266,000	1.03	-	-	-	-	-	-	
Hsieh, Shih-Ching	1,085,000	0.89	-	-	-	-	-	-	
Chiang, Yung-Neng	810,000	0.66	-	-	-	-	-	-	
Hsu, Ching-Fa	768,000	0.63	-	-	-	-	-	-	
Kuo, Jen-Feng	621,000	0.51	-	-	-	-	-	-	
Wang, Hui-Yu	492,000	0.40	-	-	-	-	-	-	

9. Shareholding ratio, consolidated comprehensive shareholding ratio held by the Company, directors, managers of the Company with direct or indirect control over business

Consolidated shareholding ratio

May 22, 2026; Unit: share; %

Investee	Investment by the Company		Investment from directors, managers to business under direct or indirect control		Comprehensive investment	
	Number of shares	%	Number of shares	%	Number of shares	%
GREENCHEM INTERNATIONAL CO., LTD.	8,000,000	100	-	-	8,000,000	100
ELEMENTECH INTERNATIONAL CO., LTD.	7,615,980	100	-	-	7,615,980	100
ELEMENTECH (HONG KONG) LIMITED	-	100	-	-	-	100
NAM LIONG INTERNATIONAL INVESTMENT & HOLDING CORP.	1,930,000	100	-	-	1,930,000	100
SPEEDBEST INTERNATIONAL LIMITED	6,810,000	100	-	-	6,810,000	100
NAM LIONG ENTERPRISE CO., LTD. (VIET NAM)	-	100	-	-	-	100
GREENCHEM INTERNATIONAL SHANGHAI CO., LTD.	-	100	-	-	-	100
SUZHOU GREATSUN ELECTRONICS & COMMUNICATIONS CO., LTD.	-	100	-	-	-	100
JIAXING NANXIONG POLYMER CO., LTD.	-	100	-	-	-	100
DONG GUAN NAMLIONG RUBBER MANUFACTURES CO., LTD.	-	100	-	-	-	100

III. Fundraising

1. Capital and shares

(1). Source of equity capital

A. Formation of capital

Year/ Month	Issue price (NT$)	Approved share capital		Paid-in share capital		Remarks		
		Number of shares (thousands)	Price (NT$ thousands)	Number of shares (thousands)	Price (NT$ thousands)	Source of equity capital (NT$ thousands)	Share price disposition with non-cash property	Other
1989/08	10	1,000	10,000	1,000	10,000	• Foundation of share capital	-	-
1990/10	10	2,500	25,000	2,500	25,000	• 15,000 cash capital increase	-	-
1997/09	10	5,000	50,000	5,000	50,000	• 25,000 cash capital increase	-	-
1997/12	10	18,000	180,000	18,000	180,000	• 130,000 cash capital increase	-	-
1998/07	10	27,000	270,000	20,300	203,000	• 21,600 capital increase from earning • 1,400 capital increase from employee bonus	-	Note 1
1999/08	10	27,000	270,000	22,100	221,000	• 6,240 capital increase from earning 1,760 capital increase from employee bonus	-	Note 2
2000/06	10	33,600	336,000	25,000	250,000	• 26,520 capital increase from earning • 2,480 capital increase from employee bonus	-	Note 3
2001/03	30	33,600	336,000	30,000	300,000	• 50,000 cash capital increase	-	Note 4
2001/07	10	83,200	832,200	38,500	385,000	• 75,000 capital increase from earning • 10,000 capital increase from employee bonus	-	Note 5
2002/07	10	83,200	832,200	51,804	518,040	• 115,500 capital increase from earning • 17,540 capital increase from employee bonus	-	Note 6
2002/09	36	83,200	832,200	59,304	593,040	• 75,000 cash capital increase	-	Note 7

Year/ Month	Issue price (NT$)	Approved share capital		Paid-in share capital		Remarks		
		Number of shares (thousands)	Price (NT$ thousands)	Number of shares (thousands)	Price (NT$ thousands)	Source of equity capital (NT$ thousands)	Share price disposition with non-cash property	Other
2003/06	10	83,200	832,200	76,225	762,250	• 148,260 capital increase from earning • 20,950 capital increase from employee bonus	-	Note 8
2004/05	10	106,645	1,066,450	89,061	890,613	• 45,735 capital increase from earning • 68,603 capital increase from paid-in capital • 14,025 capital increase from employee bonus	-	Note 9
2004/12	10	106,645	1,066,450	84,361	843,613	• 4,700,000 shares cancelled	-	Note 10
2005/03	10	106,645	1,066,450	83,161	831,613	• 1,200,000 shares cancelled	-	Note 11
2005/06	10	106,645	1,066,450	78,161	781,613	• 5,000,000 shares cancelled	-	Note 12
2005/07	10	106,645	1,066,450	76,661	766,613	• 1,500,000 shares cancelled	-	Note 13
2005/10	10	106,645	1,066,450	72,661	726,613	• 4,000,000 shares cancelled	-	Note 14
2006/01	10	106,645	1,066,450	68,661	686,613	• 4,000,000 shares cancelled	-	Note 15
2006/03	10	106,645	1,066,450	66,661	666,613	• 2,000,000 shares cancelled	-	Note 16
2006/05	10	106,645	1,066,450	64,661	646,613	• 2,000,000 shares cancelled	-	Note 17
2006/07	10	106,645	1,066,450	61,661	616,613	• 3,000,000 shares cancelled	-	Note 18
2006/10	10	106,645	1,066,450	58,661	586,613	• 3,000,000 shares cancelled	-	Note 19
2006/12	10	106,645	1,066,450	55,661	556,613	• 3,000,000 shares cancelled	-	Note 20
2009/02	10	106,645	1,066,450	50,392	503,923	• 5,269,000 shares cancelled	-	Note 21

Year/ Month	Issue price (NT$)	Approved share capital		Paid-in share capital		Remarks		
		Number of shares (thousands)	Price (NT$ thousands)	Number of shares (thousands)	Price (NT$ thousands)	Source of equity capital (NT$ thousands)	Share price disposition with non-cash property	Other
2019/01	10	200,000	2,000,000	122,392	1,223,923	• 72,000,000 shares of private replacement	-	Note 22
2024/05	10	200,000	2,000,000	122,403	1,224,032	• Convertible bonds converted into 10,989 shares	-	Note 23

Note 1: (98)Taiwan treasury (1) ref. 56205 approval of 4 July 1998.
Note 2: (99)Taiwan treasury (1) ref. 63199 approval of 22 July 1999.
Note 3: (00)Taiwan treasury (1) ref. 44962 approval of 24 May 2000.
Note 4: (01)Taiwan treasury (1) ref. 100196 approval of 16 Jan. 2001.
Note 5: (01)Taiwan treasury (1) ref. 137876 approval of 14 June 2001.
Note 6: Taiwan treasury 1 ref. 0910134003 approval of 21 June 2002.
Note 7: Taiwan treasury 1 ref. 0910134001 approval of 1 July 2002.
Note 8: Taiwan treasury 1 ref. 0920124203 approval of 3 June 2003.
Note 9: Taiwan treasury 1 ref. 0930124098 approval of 31 May 2004.
Note 10: Commercial sales 1 ref. 09301238780 approval of 16 Dec. 2004.
Note 11: Commercial sales 1 ref. 09401043240 approval of 28 March 2005.
Note 12: Commercial sales 1 ref. 09401096730 approval of 2 June 2005.
Note 13: Commercial sales 1 ref. 09401125680 approval of 13 July 2005.
Note 14: Commercial sales 1 ref. 09401199420 approval of 6 Oct. 2005.
Note 15: Commercial sales 1 ref. 09401269520 approval of 3 Jan. 2006.
Note 16: Commercial sales 1 ref. 09501048020 approval of 24 March 2006.
Note 17: Commercial sales 1 ref. 09501086960 approval of 11 May 2006.
Note 18: Commercial sales 1 ref. 09501150390 approval of 20 July 2006.
Note 19: Commercial sales 1 ref. 09501230390 approval of 13 Oct. 2006.
Note 20: Commercial sales 1 ref. 09501280500 approval of 18 Dec. 2006.
Note 21: Commercial sales 1 ref. 09801025460 approval of 13 Feb. 2009.
Note 22: Commercial sales 1 ref. 10801008480 approval of 28 Jan. 2019.
Note 23: Commercial sales 1 ref. 11330087430 approval of 12 June. 2024.

B. Equity

Unit: shares

Equity	Approved share capital			Remarks
	Shares outstanding	Unissued shares	Total	
Registered ordinary shares	122,403,239	77,596,761	200,000,000	Listed

C. Overall declaration system: N/A.

(2). Major shareholders

April 25, 2026

Major shareholders \ Number	Number of shares held	Shareholding ratio
ZI LIONG ENTERPRISE CO., LTD.	88,221,501	72.07%
HONG LI TEXTILE CO., LTD.	2,068,000	1.69%
Hung, Che-Yao	1,998,000	1.63%
EVER DEVELOPMENT INVESTMENT CO., LTD.	1,357,760	1.11%
Hsieh, Chih-Lin	1,266,000	1.03%
Hsieh, Shih-Ching	1,085,000	0.89%
Chiang, Yung-Neng	810,000	0.66%
Hsu, Ching-Fa	768,000	0.63%
Kuo, Jen-Feng	621,000	0.51%
Wang, Hui-Yu	492,000	0.40%

(3). Dividend policy by company & implementation

A. Dividend policy of articles of incorporate:

Dividend allocation policy by the Company depends on current and future investment conditions, capital requirements, domestic and international competition conditions, capital requirements and sound financial planning, other factors, etc. for sustainability. Number of shares issued per year is equal to distributable total earning minus reservation for business performance conditions, set as 10% minimum; cash is preferred for dividend distribution and is 10% minimum of issued dividend total. Rest is distributed in dividends. No distribution of dividend will take place in the event of EPS under NT$0.1.

B. Implementation:

The distribution of earnings by the Company for 2025 is allocated from shareholder bonus of 2025's undistributed earnings at NT$30,600,809.

C. Anticipated material change in dividend policy: None.

(4). Effects of stock grant proposal from shareholders' meeting to business performance and earning per share: N/A.

(5). Employee's and director's compensation

A. Employee and director share ownership ratios or range stipulated by articles of incorporation:

In accordance with the Company's Articles of Incorporation, before distributing earnings, the Company shall allocate no more than 2% of its annual profit as

Directors' remuneration, and no less than 3% (no less than 40% of this item should be allocated to grassroots employees for remuneration) as employees' compensation. Should the Company has accumulative loss, a reservation shall be kept herefor, then be allocated for employee and director remuneration according to the aforesaid ratio. Aforesaid employee remuneration shall be distributed in shares or cash including for conditioned official employees.

B. Accounting process in the event of difference between distribution basis of employee and director bonus, calculation basis of number of shares distributed to employee bonus, actual distributed amount for current year and estimation:

Should there be change in employee remuneration and director remuneration resolved by Board of Directors, the difference from change shall be arranged based on accounting process for change and resolved into the account by Board of Directors; it will not affect adopted financial statements.

C. Distribution of bonus distribution adopted in the board of directors meeting:

a. The Company's 2025 remuneration for employees and Directors has been reviewed by the Remuneration Committee on March 6, 2026, and approved by the Board of Directors on March 11, 2026. The employee compensation is NT$937,000 and the Director remuneration is NT$390,000, both of which will be distributed entirely in cash.

b. Employee bonus and director bonus distributed in cash or stocks: should there be difference between annual recognition, the difference, casue, and resolution shall be disclosed: no difference exists between adopted employee remuneration and director remuneration and 2025's recognition.

c. Employee bonus distributed in stocks and its ratio to total of earnings after tax from parent company only financial statement & employee bonus: N/A.

D. Actual distribution of employee and director bonus to previous year (including number of distributed shares, amount and price), and specify if difference between aforesaid and employee bonus and director bonus, and its reason and reaction: N/A.

(6). Company purchase of stocks: N/A.

2. Implementation of convertible bond

Types of convertible bond	1st secured convertible bond
Issue date	March 21, 2023
Face value	NT$100,000
Place of issue and exchange	N/A
Issue price	The issue price is based on the 116.23% face value
Total value	NT$500,000,000
Interest rate	0% Coupon rate
Issue period	The issue period is 5 years, starting March 21, 2023. The maturity date is March 21, 2028.
Guarantee institution	Land Bank of Taiwan
Trustee	Yuanta Commercial Bank
Underwriter	Jih Sun Securities Co., Ltd.
Certiciation Lawyer	Attorney Chiu, Ya-Wen, Far East Law Office
Certiciation CPA	Huang, Hsiu-Chun and Chuang, Pi-Yu, Deloitte & Touche
Redemption of bonds	The secured convertible bonds will be repaid in cash within ten business days (including the 10th business day) based on the bond's face value, with the exception of the following: 1. Bondholders are allowed to convert the secured convertible bonds into ordinary shares of the Company under Article 10 of relevant measures, or redeem secured convertible bonds in advance in accordance with Article 18. Or 2. The Company exercises its right to repurchase secured convertible bonds from an over-the-counter market in accordance with Article 19. If the repayment date falls on a closing day of the Taipei Stock Exchange, it will be postponed to the next business day.
Outstanding principal	NT$499,800,000
The articles of redemption or pay off in advance	Please refer to convertible bond and conversion guideline by the Company.
Restrictions	N/A
The name of credit evaluation institution, evaluate date, result of corporate bond Evaluation	N/A

Types of convertible bond		1st secured convertible bond
Other right	Amount of converted (exchanged or subscribed) ordinary shares, overseas depositary receipts or other securities as of the publication date of the annual report	As of May 22, 2026, a total of NT$200,000 of convertible bond has been exercised, and a total of 10,989 ordinary shares have been converted.
	Issue and transfer (exchange or purchase plan)	Please refer to convertible bond and guideline by the Company.
Issue and transfer/ exchange or subscript method for shares/ possible dilution situation of equity by issuance conditions and the influence to current shareholders' Right		No significant impact yet
The name of entrusted depositary institution		N/A

Convertible bond information

Corporate bond		First domestic guaranteed convertible bond	
Item / Year		2025	Current year as of May 22, 2026
Market price of convertible bond	Peak	115.50	109.95
	Bottom	101.65	101.20
	Mean	104.72	103.73
Convertible price		NT$17.4	NT$17.4
Conversion (effective) price per date of issuance		The conversion price was NT$18.8 per issuance on March 21, 2023 The conversion price was adjusted to NT$17.4 on August 8, 2025	
Fulfillment of conversion obligations		Issuance of new shares	

3. Preferred shares: None.

4. Global depository receipt: None.

5. Employee stock option: None.

6. Limitation to employee subscription to new stocks: None.

7. Merger or acquisition of new shares from other companies: None.

8. Implementation of capital allocation plan

(1). Plan and implementation of previous issuance or private placement of marketable securities by previous season of end of book closure:

Unit: NT$

<table>
<tr><td>Issuance plan</td><td colspan="4">First domestic guaranteed convertible bond</td></tr>
<tr><td>Issuance</td><td colspan="4">NT$500,000,000</td></tr>
<tr><td>Date of issuance</td><td colspan="4">March 21, 2023</td></tr>
<tr><td>Purpose of capital</td><td colspan="2">Implementation</td><td>2025</td><td>Ahead of schedule, behind in progress, reasons, and improvement plans</td></tr>
<tr><td rowspan="4">Repayment of bank loan</td><td rowspan="2">Expenditure</td><td>Estimation</td><td>581,140 thousand</td><td rowspan="4">After the fund raising was completed on March 17, 2023, arrangements were made to repay the bank borrowings, which was fully implemented in 2023Q2 according to the estimation plan, and there were no major abnormalities.</td></tr>
<tr><td>De facto</td><td>581,140 thousand</td></tr>
<tr><td rowspan="2">Implementation</td><td>Estimation</td><td>100.00%</td></tr>
<tr><td>De facto</td><td>100.00%</td></tr>
<tr><td>Actual achievement of scheduled benefits</td><td colspan="4">The Company will repay bank borrowings in advance with the funds raised, which can save interest expenses and improve the financial structure, improving the Company's overall operational competitiveness. The amount of funds raised this time will be fully used to repay bank borrowings. Based on the borrowing interest rate, it is expected that after repaying the borrowings, it will save approximately NT$9,815 thousand in interest expenses in 2023. In the future, it will save up to about NT$16,257 thousand in interest expenses each year. In addition to reducing the Company's In addition to reducing the financial burden, it can also improve the financial structure and enhance solvency.</td></tr>
</table>

(2). Previous issuances or private placement of securities of which the plan is complete in the past three years without significant benefit: None.

IV. Operation

1. Business

(1). Scope of business

A. Core operating business

C301010	Spinning of Yarn
C302010	Weaving of Textiles
C303010	Manufacture of Non-woven Fabrics
C306010	Wearing Apparel
C399990	Other Textile and Products Manufacturing
C402030	Manufacture of Leather, Fur and Related Products
C804020	Industrial Rubber Products Manufacturing
C804990	Other Rubber Products Manufacturing
C805020	Manufacture of Plastic Films and Bags
C805990	Other Plastic Products Manufacturing
C901060	Manufacture of Refractory Products
CF01011	Medical Devices Manufacturing
CI01020	Rug and Felt Manufacturing
CK01010	Footwear Manufacturing
CM01010	Case and Bag Manufacturing
CZ99990	Manufacture of Other Industrial Products Not Elsewhere Classified
D101060	Self-usage power generation equipment utilizing renewable energy industry
EZ05010	Instrument and Meters Installation Engineering
F104110	Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
F105050	Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
F106050	Wholesale of Ceramic and Glassware
F107170	Wholesale of Industrial Catalyst
F107990	Wholesale of Other Chemical Products
F108031	Wholesale of Medical Devices
F109070	Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
F120010	Wholesale of Refractory Materials
F199990	Other Wholesale Trade
F203010	Retail Sale of Food, Grocery and Beverage
F204110	Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories

F205040	Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
F206020	Retail Sale of daily commodities
F207030	Retail Sale of Cleaning Supplies
F207990	Retail Sale of Other Chemical Products
F208031	Retail Sale of Medical Apparatus
F208040	Retail Sale of Cosmetics
F209060	Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
F220010	Retail Sale of Refractory Materials
F299990	Retail Sale of Other Products
F399040	Retail Sale No Storefront
F401010	International Trade
G799990	Other Transportation Support
H703100	Real Estate Leasing
I103060	Management Consulting
I301010	Information Software Services
IG03010	Energy Technical Services
JE01010	Rental and Leasing
JZ99990	Unclassified Other Services
ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

B. Major products and business ratio

Unit: NT$ thousands

Products	2025 Gross Sales	Ratio to business(%)
Textile Composites	2,188,026	90.04
Chemical Product	132,485	5.45
Electronic Product	109,525	4.51
Total	2,430,036	100.00

C. Current products (service) of the Company

a. Textile Composites

(a) Hook loop and functional tapes

(b) Functional protective textiles and products

(c) Polymeric elastomer foam composite materials

(d) Functional membrane and composite materials

(e) Healthcare & bedding products

b. Chemical Product

(a) Technical chemicals

(b) Polymer products

c. Electronic Product

D. New products under development

Textile Composites

In the development of green environmental processes and recycled materials, our company continues to dedicate itself to Eco-Family, exploring various renewable materials, agricultural and fisheries waste materials, processing these environmentally friendly materials for reuse, and producing products that can replace petrochemical materials. The use of these alternative materials will help reduce reliance on finite petrochemical resources while reducing negative environmental impacts. The main development direction focuses on "Replace, Recycle, Reduce," including the development of environmentally friendly hook and loop series, recycled textile yarn and fabric development, bio-based rubber sponge material series, bio-based film materials (TPEE/TPAE), water-based environmentally friendly adhesive (Supracoat), and has obtained relevant certifications such as Oeko-Tex Standard 100 and GRS.

To meet the market demand for finished products, our company will enter the medical industry, from material systems to medical auxiliary systems and health technology products. Meanwhile, we have obtained ISO 13485 certification, QMS certification, and manufacturing industry medical equipment business license to ensure product safety and reliability.

Chemical Product

In response to the global green environmental protection trend, the Company will invest in the development of projects such as odor control, temperature/cooling sensory treatment, natural functional products, wash-resistant antibacterial products, and new antibacterial products. Taking antibacterial, moisture absorption, warmth retention, and coolness as the main product pivots to develop green environmental protection products, we implement the core corporate value of 'Respect for Life, Love for the Environment' and fulfill the responsibility of a global citizen.

Electronic Product

The Company is dedicated to upgrading core technologies and expanding into niche markets. In terms of product R&D, we continue to develop the 'Next-Generation Fast-Triggering 30A Residual Current Circuit Breaker (RCCB).' This initiative extends our product applications from traditional domestic water heaters to the solar and green energy sectors, thereby broadening our market coverage. Concurrently, we are systematically advancing the development of 'Open-Frame Embedded Power Supplies.' Development for low-power specifications has been completed, while stage-two products exceeding 100W are currently undergoing Engineering Verification Testing (EVT), which is expected to further refine our product line layout.

In response to market competition, the Company leverages its profound verification niche, focusing on designing high-reliability products that feature stable electrical characteristics, low failure rates, and high resistance to elevated temperatures and electromagnetic interference (EMI). By deeply penetrating high-end application fields such as industrial automation, semiconductor equipment, and Power over Ethernet (PoE), we successfully bypass low-price price wars. Guided by our core philosophy of 'altruism' and paired with rapid, premium service, we strengthen customer stickiness to secure long-term growth momentum and a sustained competitive advantage.

(2). Industry overview

A. Current and future industry

Textile Composites

Under the global trends of climate change and green transformation, the textile composite industry also faces challenges of carbon reduction and sustainable development. It must actively develop green and low-carbon recycled environmentally friendly materials to enhance product environmental performance and meet global trends and consumer demand.

The Company is committed to providing high-quality, high-performance products and services to customers, with "Adaptation, Innovation, Maximizing Value Creation, and Building Sustainable New Business Models" as the core strategic thinking. In 2024, the Company developed three major strategic directions: "Implementing Sustainable Carbon Reduction Development, Aligning with Brand Carbon Reduction Trends, and Continuously Improving Key Advantages".

In the safety protection market, lightweight protection combined with the development of intelligent equipment products is promoted, with a focus on respecting life and intelligence. By combining special fibers or additives with higher tensile strength and durability textile materials or polymer foaming technology, they are used in personal safety, outdoor extreme sports, or work safety protection applications, committed to providing the necessary protection for the human body. In the outdoor sports and leisure market, high-functionality, high-comfort, and high-durability outdoor sports apparel materials are developed for application. In the medical and care market, functional material applications are extended, and functional materials are designed to have technological content to meet the needs of health care.

Chemical Product

Functional auxiliaries have diverse and broad applications. The products shall comply with various industrial requirements with new usages. Amid the industrial change, market shift, technical advancements and calls for green companies, functional

auxiliaries are facing challenges in terms of environmental sustainability.
In recent years there has been an increase in environmental concerns, and there are calls for more environmentally-friendly products, which limits industrial development. For this goal, alongside with the reduction of trade barriers, we are phasing out non-environmentally friendly products into low-pollution processes and working on the R&D of functional products, etc.
Functional auxiliaries have had ups and downs amid the environmental change. The market is phasing out non-environmentally friendly products, and flows amid conditions of the downstream industry. In order to move towards environmental-friendliness and sustainability, we shall enhance research and development continuously. We expand our market and move forward to low-pollution processes and high-added value and environmentally friendly products, so that new opportunies will be created and sustainability will be implemented amid the call.

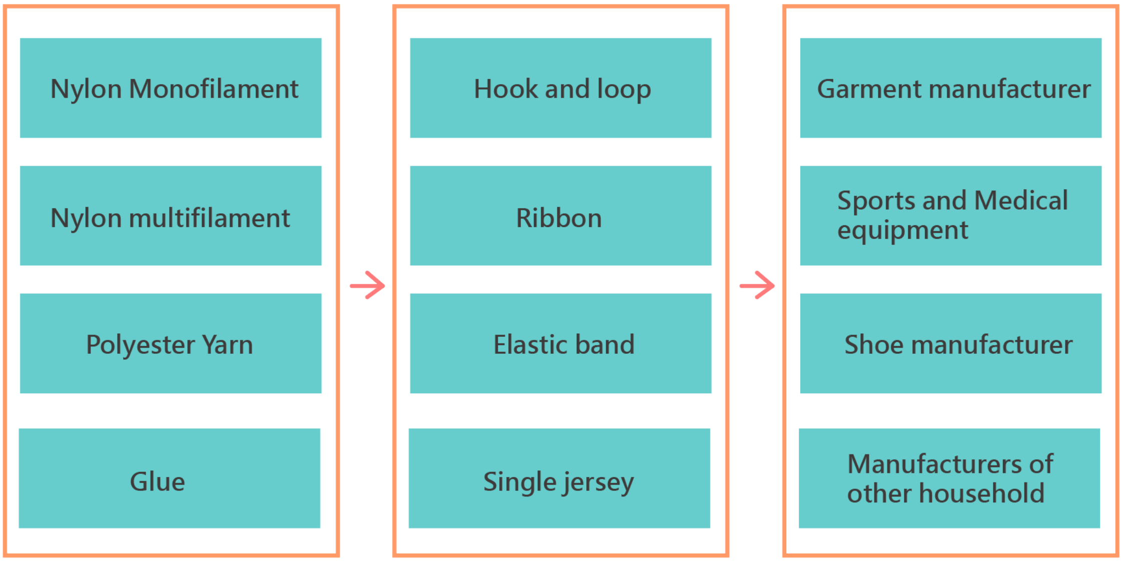
Electronic Product

Driven by artificial intelligence and the new energy transition, the global power supply industry is transforming from traditional components to high-power, high-efficiency 'energy management solutions.' Along with the upgrade of AI server specifications driving the sharp increase in power demand, and the strong growth of electric vehicle charging piles and data center construction, the market welcomes a structural reorganization. Under this trend, first-tier major factories focus on the ultra-high-power market, driving supply chain reshuffling, which also creates transformation opportunities for small and medium-sized power supply manufacturers to enter specific niche markets and accept mid-to-low power orders.
Facing complex geopolitics and global trade controls, we will adopt a stable operation policy, dispersing market risks through developing specific industrial application power supplies, and flexibly adjusting supply chain layout to respond to raw material fluctuations. Deeply cultivating the industrial control and specific application fields with high technical thresholds, we avoid large-scale price competition, and ensure stable growth in the changing situation with localized high-efficiency service and rich industry experience.

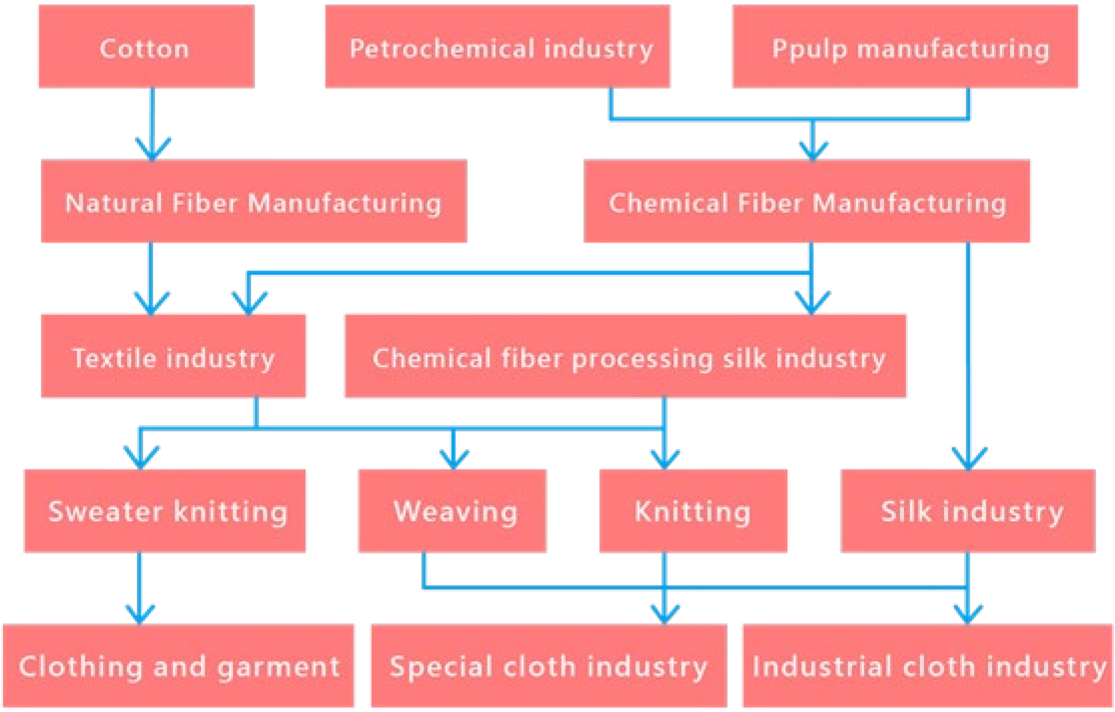
B. Association of up-, mid-, and downstream industries

<u>Textile Composites</u>

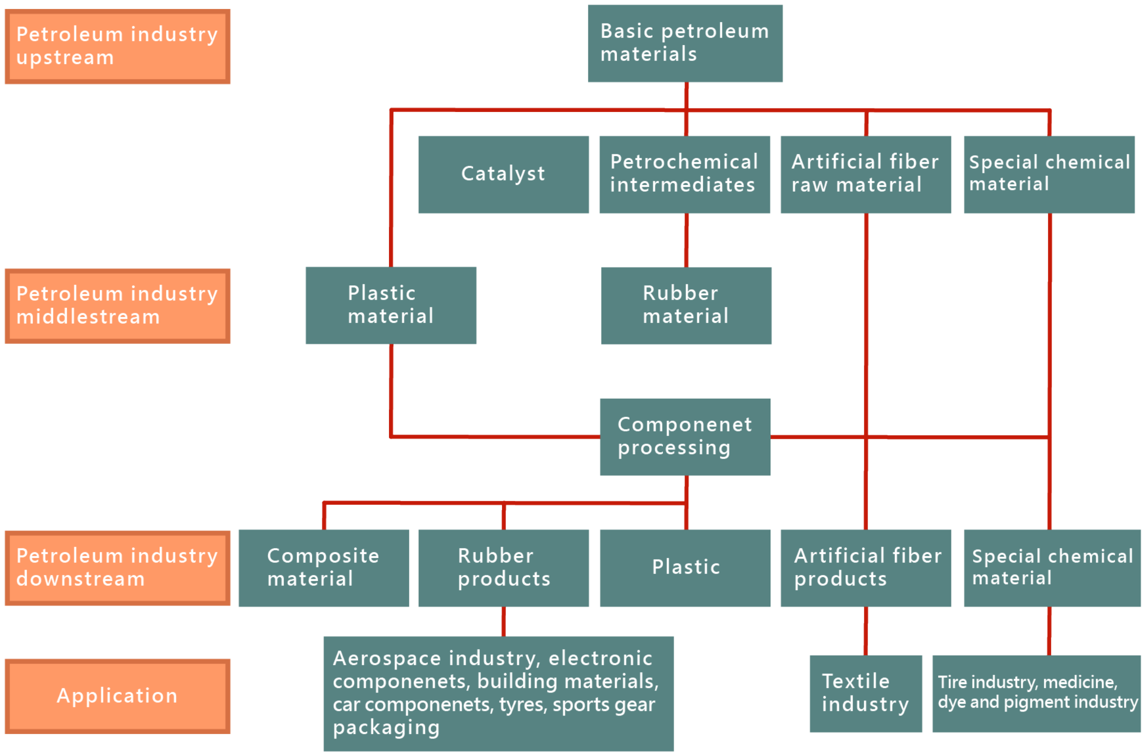
■ Hook loop and functional tapes



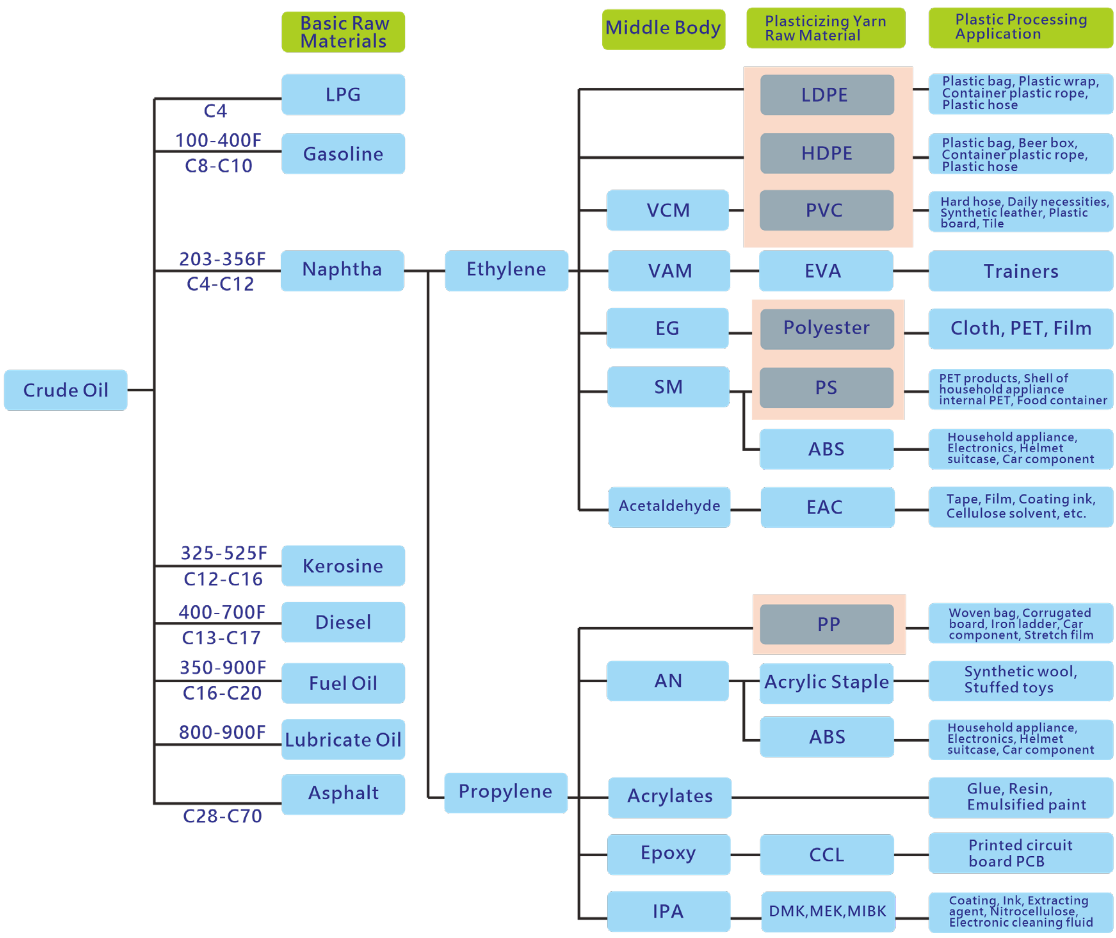
■ Functional protective textiles and products



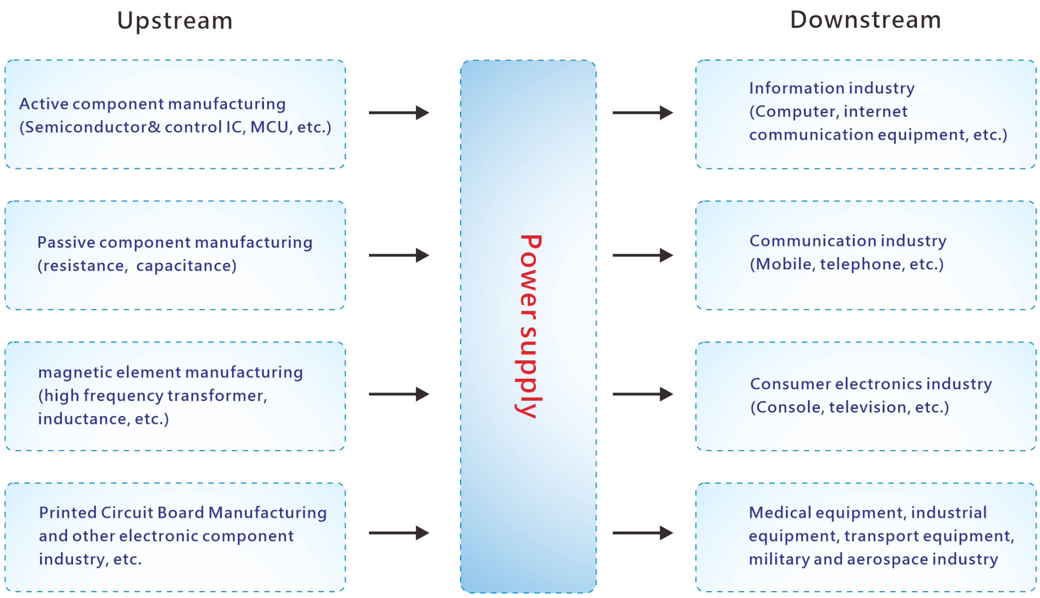
■ Polymeric elastomer foam composite materials



Chemical Product



Electronic Product



C. Development trend and competitive of products

Product development trend

a. Textile Composites

The overall textile and polymer industry is easily affected by changes in the international economy, such as currency inflation in various countries and the sharp rise in oil prices caused by international wars, resulting in material shortages, short chains, broken chains, and price increases, severely affecting company operations. To maintain the operation and profitability of the Company, changes must be made to production, sales methods, and new product development.

■ Hook loop and functional tapes

In order to meet the diversified market and special needs of customers, efforts are made to develop environmentally friendly series of hook and loop fasteners, new products, or customized products, combining different processing processes and multi-level processing applications to provide highly customized products and services, further consolidating customer relationships, while expanding applications in different industries, increasing sales of existing products, or market share.

■ Functional protective textiles and products

In response to the needs of work safety protection, personal safety, and special sports protection, special textile fibers and related products are developed, and mixed recycled and recycled yarn applications are launched, ARMORTEX® (abrasion-resistant fabric, cut-resistant fabric, non-slip fabric, elastic fabric, reflective fabric, multifunctional fabric) and ZEROMELTS® (fireproof fabric) are developed and promoted, continuously optimized towards the goals of improving comfort and increasing protection, to meet the needs of various industries in protection applications.

■ Polymeric elastomer foam composite materials

In recent years, we have developed bio-based rubber sponge, bio-based thermoplastic sponge, and abrasion-resistant, anti-slip fabrics made from recycled rubber sponge. These innovations focus on replacing a portion of petrochemical raw materials with natural resources, renewable bio-based materials, and recycled eco-friendly materials to fulfill the 3R principles: (Renewable, Reduce, and Recycle). These products are not only used in various consumer markets, such as outdoor sports equipment and water markets, but also in industrial markets. In the future, we will move towards supercritical foam fluid technology, bio-based and recycled materials development, actively cooperate with international brands to jointly achieve sustainable development goals.

■ Functional membrane and composite materials

Efforts are made to develop TPEE thermoplastic polyester elastomer, TPAE thermoplastic polyamide elastomer, inflatable materials, various functional films, functional masterbatches, combined with different production and processing technologies such as moisture-reactive PUR/oil-based PU roller coating & scraper, and obtain material certification and verification to ensure quality and physical property requirements; efforts will continue to be made in the production process to be free of plasticizers, and materials can be reused, towards the goals of carbon reduction and circular economy.

b. Chemical Product

■ Technical Chemicals

Specific chemical products are of industrial single type chemical material or various chemical compounds or formulae for the improvement of product characteristics or to endow specific functions; it takes up a minor cost of downstream customers and is mostly produced per batch, thus it is highly-priced with small quantity.

Taiwan's specialized industry focuses on the regional application market as its main operation. The overall industry is highly influenced and affected by the international economy. The industrial development lacks a self-owned technique. Overall, the specialized industry focuses on sales of reputed foreign brands as its main business.

The domestic market has been gradually shrinking due to the accelerated relocation of downstream industries, inevitably intensifying competition among industry peers. Going forward, the Company will focus on expanding international distribution channels and aligning with global brands as key strategic directions.

Sanitation and production, environmental protection, recycling and other environmental issues will have a sound impact on the development of chemical products. The Company will overcome the crisis and create opportunities by investing in development of new products. Product development aims to produce and make use of green, natural products, cooperation and creation with process suppliers downstream.

■ Polymer Products

Polymer products are an application of petrochemical basic raw materials. It is an old industry with wide usage downstream and irreplaceable, ranging from coating, adhesive, ink, caulk, etc. Through adjustment in formulae, it will reflect characteristics and functions; thus, it is widely applied to leather, synthetic leather, fiber, electronics, architecture, aerospace transport, papermaking, cars, optoelectronics information, etc. It is highly associated from beginning until the end. It is an indispensable basic industry of Taiwan, and a key to enhancing the competitiveness for downstream industries.

Currently Mainland China is the largest petrochemical market in Asia, and as well the most competing region. The recent Mainland Chinese petrochemical industry is expanding its capability for its products. It is anticipated that it will import less and thus self-dependent. Without good production conditions and stable quality, Taiwan's plants cannot compete with Mainland Chinese competitors. We cannot depend on the Mainland Chinese market. We shall develop proactively the emerging markets to spread the risk.

Currently, our domestic petrochemical companies shall transform and upgrade towards diversification in products, in terms of shift to high added value products. Taiwan lacks energy resources and is dense. Domestic production and outsourcing are both high-cost. Only when we maintain innovation and environmental-friendliness for the industry, we will then withstand the harsh and surging competition from Mainland China. There will probably be loads of room for development. It will allow reduction of dependence on bulk products and diversity in development.

c. Electronic Product

Driven by the high power consumption demands of AI servers in 2026, the global power supply industry is undergoing a high-efficiency technology upgrade, transitioning from 48V to High Voltage Direct Current (HVDC), with an expected compound annual growth rate of 6.6%. The core focus of market research and development is systematically moving toward high wattage, high power density, liquid cooling technology, and board-level power modules.

Accompanied by the robust growth of AI infrastructure, electric vehicle charging stations, and data centers, the demand for high-power energy systems has surged significantly, prompting medium and large manufacturers to reposition their product portfolios and R&D resources. This wave of technological transition and market restructuring has effectively elevated the technical entry barriers of the industry, while simultaneously providing an optimal strategic window for manufacturers with specialized application development capabilities to enter high-value chains and capture new energy transition opportunities.

Competition

a. Textile Composites

The Company adopts innovative research and development technologies in the development of textile composites, and through complete international certification, ensures the requirements of relevant physical properties. Combining upstream and downstream supply chains to jointly construct a sustainable ecosystem, while having multiple production bases in the Asian region; in terms of marketing, providing cross-disciplinary, cross-industry integrated solutions, responding quickly to customer needs, winning the high trust and recognition of international brand customers, these efforts continue to establish core competitive advantages in the textile composite industry competition.

To maintain sustained core competitive advantages, in terms of production efficiency, continuous optimization of old equipment is necessary, and the degree of automation in production must be improved. Through system recording of production conditions for each batch and application of automated inspection systems, production speed and product quality stability can be accelerated. At the same time, phased planning for personnel succession is emphasized to ensure smooth production processes. In marketing layout, promotion is conducted in a global manner. In addition to participating in traditional international professional exhibitions, online marketing tools are also utilized to allow customers to actively search for relevant information, thereby expanding market share.

b. Chemical Product

■ Technical Chemicals

Taiwan's special chemical plants have added value with a huge difference from just being one single global brand. Taiwan's special chemical plants are small in scope and have difficulty in resource integration and lack R & D resources, thus are difficult to manage. The special chemical industry faces completion from domestic as well as global brands. The Company shall endeavor to develop high added value and diversified products.

The Company will strive to grasp the development trend of green environmental protection products, establish independent technology, and focus on the development of product application needs, continuing the positioning as a "Solution Provider". In addition to chemical supply, we will also strengthen technical support and after-sales service, actively assisting customers and creating value for demand.

■ Polymer Products

Polymer products have diverse and broad applications. New usages shall be developed for the products on customers' requirements downstream. Along with industrial change, market shift, technical advancements and green competitiveness, the polymer industry shall face challenges in environmental-friendliness and sustainability.

Taiwan's domestic market is phasing out. Export sales has become a key to development and Mainland China is seen as a major market. Customers downstream are relocating to Mainland China, ASEAN member states, and other emerging markets. Loads of companies establish plants locally in the emerging states. Mainland Chinese products are gradually having oversupply. It has become an industrial competition in place of cooperation across the Taiwan Strait. The polymer companies in Taiwan shall endeavor to develop high added value and diversified products.

Despite the mature development of the polymer industry, the lack of market information by the companies and their intentions for scale production might lead to excessive investment; under excessive productivity, companies accept small orders and price drops as chaos in supply and demand ensues.

The Company focuses on the development of different green products for competitiveness with market segmentation to gain.

c. Electronic Product

Influenced by geopolitics, US-China trade frictions, and national tariff policies, the relocation of production bases has become an industry norm. Concurrently, rising labor costs and low-price competition are further driving manufacturers to pursue higher-value market positioning.

On the market demand side, AI and the new energy industry drive a sharp increase in high-power power supply demand. The R&D centers of gravity of first- and second-tier manufacturers have shifted accordingly, causing the original mid-to-low power industrial control and home appliance markets to face supply chain reorganization. This structural change creates an excellent strategic opportunity for power supply factories with lean scales to enter niche markets, accept transferred orders, and expand market share.

(3). Technique and R&D

A. Technical level and R&D of operating business

a. Textile Composites

Future R&D plan and investment:

R&D product	R&D and mass production schedules	R&D estimation	Major factors that will impact the R&D in future
Eco-friendly lamination for high-extensibility foam composites	Under product development and trial production. 2025 new products entered mass production, with portfolio expansion ongoing in 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials and key technologies 2.Environmental protection along with restricted and banned substances policies 3.Customer requirements and the extent of market promotion
WSR circular recycled polymers (WSR-30 low hardness / WSR-50 high hardness)	Under product development and trial production. Development completed in 2025; new product expansion ongoing in 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials 2.Environmental protection along with restricted and banned substances policies 3.Customer requirements and the extent of market promotion
Enhancing R&D of high flame-retardant aluminum-laminated protective materials	Development completed, with ongoing expansion.	R&D cost overall makes up of personnel charge and product development	1.Mastery of key technologies 2.Customer requirements and the extent of market promotion 3.Product performance and quality stability

R&D product	R&D and mass production schedules	R&D estimation	Major factors that will impact the R&D in future
Energy-based functional health textiles (Sleep and wellness series)	Under product development and trial production. The development is expected to be completed by the end of 2026.	R&D cost overall makes up of personnel charge and product development	1.Customer requirements and the extent of market promotion 2.Product performance and quality stability 3.Mastery of core materials
Development of wide-width hook and loop fasteners	Under product development and trial production. Development scheduled for completion by year-end 2026.	R&D cost overall makes up of personnel charge and product development	1.Product performance and quality stability 2.Customer requirements and the extent of market promotion 3.Mastery of critical equipment and key technologies
Development of elastic hook-surface stretchable fasteners	Under product development and trial production. Development scheduled for completion by year-end 2026.	R&D cost overall makes up of personnel charge and product development	1.Product performance and quality stability 2.Customer requirements and the extent of market promotion 3.Mastery of critical equipment and core materials
Development of green processed products (solvent-free eco-friendly HF adhesive)	Under product development and trial production. Development scheduled for completion by year-end 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials 2.Environmental protection along with restricted and banned substances policies 3.Product performance and quality stability
Interlocking mushroom head fastener development	Under product development and trial production. Development scheduled for completion by year-end 2026.	R&D cost overall makes up of personnel charge and product development	1.Product performance and quality stability 2.Customer requirements and the extent of market promotion 3.Mastery of critical equipment and key technologies
High-level cut-resistant products	Under product development and trial production. Develop higher performance products with new technology by 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of key technologies 2.Product performance and quality stability

R&D product	R&D and mass production schedules	R&D estimation	Major factors that will impact the R&D in future
Industrial-grade foam development	Under product development and trial production. Complete validation of new product items by 2026.	R&D cost overall makes up of personnel charge and product development	1.Product performance and quality stability 2.Customer requirements and the extent of market promotion 3.Mastery of core materials and key technologies
Low-friction coefficient coatings	Under product development and trial production. Complete pilot production by 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials and key technologies 2.Customer requirements and the extent of market promotion
Functional flame-retardant membrane materials	Under product development and trial production. Complete pilot production by 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials and key technologies 2.Customer requirements and the extent of market promotion

b. Electronic Product

In addition to securing technologies through invention patents to prevent duplication and cultivating a new business model that integrates power design, EMC, and international safety compliance into comprehensive technical services, we are simultaneously incorporating our established energy-saving patented circuits into the next generation of energy efficiency standards. This strategic alignment aims to expand our consumer market share by developing more competitive products, including Power over Ethernet (PoE) adapters, medical-grade power supplies, communication and industrial power systems, and high-concentration negative ion generators for air quality improvement. By leveraging industrial, governmental, and academic resources, alongside the extensive industry experience of our senior personnel, we successfully bridge academic research with customer needs to achieve full-scale commercialization.

Future R&D plans and estimated investment:

R&D product	R&D and mass production schedules	R&D estimation	Major factors that will impact the R&D in future
Electronic reset-type buttons Residual current circuit breakers with overload protection (for domestic solar water heaters)	Development started in 2025Q1. To complete in 2026Q4.	R&D cost overall makes up of personnel charge and patent application costs.	1. Selection of components to accelerate development speed 2. Verification and stable production capability for quality assurance

R&D product	R&D and mass production schedules	R&D estimation	Major factors that will impact the R&D in future
Development of Power Supplies Meeting New Energy Efficiency Regulations (Level 7)	Development started in 2025Q2. To complete in 2026Q4.	R&D cost overall makes up of personnel charge and product development	1. Case management and development efficiency 2. Support customers in compatibility matching, troubleshooting, and integration capabilities
Implementing a New Business Model of Power Solutions that Adds Value through Service	Development started in 2025Q2. To complete in 2026Q4	R&D cost overall makes up of personnel charge and product development	1.Project management skills 2.Communication skills with customers throughout the development process 3. System troubleshooting and integration capabilities

B. Investment R&D expenses in 2025 and as of March 31, 2026

Unit: NT$ thousands

Year / Item	2025	As of March 31, 2026 (Note)
R&D Expenses	67,361	16,247
Operating Revenue	2,430,036	601,184
Ratio to Operating Revenue	2.77%	2.70%

Note: Reviewed by CPA.

C. Developed products in 2025 to as of March 31, 2026

Year	Item	Profit
2025 to as of March 31, 2026	GRS-certified functional webbing	Completed development and customer orders obtained.
	Wide-width hook and loop fasteners	Completed development and customer orders obtained.
	Solvent-free PU fixed-shape hook and loop fasteners	Development completed; customer integration testing ongoing.
	Fully recyclable mono-polyester coating	Partial development completed; ongoing R&D and validation based on market demand.
	High-temperature and anti-phenolic yellowing TPU film	Development completed; market promotion and low-volume order fulfillment ongoing.
	Nylon moisture-permeable membrane	Mass production and low-volume orders completed; ongoing hand-feel optimization and wash validation.
	Development of glass fiber-free (no TOF) cut-resistant fabric	Development completed; promotion ongoing.

Year	Item	Profit
2025 to as of March 31, 2026	Anti-puncture fabric	Development in progress; iterative adjustments based on customer and market requirements.
	Abrasion-resistant fabric for motorcycle apparel	Development in progress; iterative adjustments based on customer and market requirements.
	Development of BIO-07 high compression-resistant bio-based foam	Development completed; customer confirmation and order secured.
	Development of QS-1 lightweight thermal-insulated foam	Development completed; customer integration testing ongoing.
	Development of ECO-02 halogen-free foam	Completed development and customer orders obtained.
	Development of WSR-30 low-hardness polymerized products	Completed development and customer orders obtained.
	Development of graphene-germanium arch support functional socks	Development completed, mass-produced, and commercially available.
	Development of graphene energy pillows (Ultra Enhanced & AI Positioning)	Development completed, mass-produced, and commercially available.
	Development of Advanced Super-Energy Technology Mattress (Ultra)	Development completed, mass-produced, and commercially available.
	Development of graphene cooling technology energy duvets (Ultra)	Development completed, mass-produced, and commercially available.
	Development of graphene cooling technology energy fitted-mattresses (Ultra)	Development completed, mass-produced, and commercially available.
	Development of Advanced Super-Energy Silk & Bird's Nest energy duvets	Development completed, mass-produced, and commercially available.
	Development of a new business model for Power Solutions with service-based value-add	Low-power open-frame internal PSU; EVT phase completed
	Power Tools (Open Frame Type)	Development completed.
	High-End LCD Monitor External Power Supply	Development completed.
	Household Electric Water Heater Leakage Circuit Breaker	ODM project; customer validation phase ongoing

(4). Long-, short-term business development plan

A. Short-term business development plan

a. Textile Composites

■ Hook loop and functional tapes, Functional protective textiles and products

Actively expanding market share in the safety protection market, outdoor sports and leisure market, and medical and care market, while deepening interaction with key customers. The Company combines market trends with the specific needs of brand customers for development, to secure a leading position in the market. Simultaneously, strengthening the real-time feedback system between business units, accelerating the flow of information, reducing customer waiting time, and closely cooperating with customers on a mutually beneficial and trustworthy basis to achieve mutual growth.

■ Polymeric elastomer foam composite materials, Functional membrane and composite materials

Actively developing in the direction of market development, researching bio-based and recycled materials, combining relevant certifications (Bluesign, OEKO-TEX class 1, GRS, etc.), patents, and collaborating with brand-name suppliers (including well-known raw material suppliers), to expand market share in the safety protection market, outdoor sports and leisure market, and medical and care market, while deepening existing customer relationships.

For brand customers, providing comprehensive services from four production bases in Taiwan, Ka Shing, Dongguan in China, and Vietnam, offering various levels of bio-based and recycled materials, allowing brand customers to choose more environmentally friendly and sustainable materials without affecting profits, and even helping them create greater profits; meanwhile, striving for more cooperation opportunities.

b. Chemical Product

(a) We endeavor in the domestic market of Mainland China and reinforce the development in specific markets, e.g., South East Asia and South Asia (Bangladesh, Sri Lanka), emerging markets, etc.

(b) We reinforce natural and environmentally friendly products to open up opportunities in the market.

(c) Leverage existing customer relationships to support their southbound expansion, thereby increasing the Company's export markets.

(d) We expand business level via brand agents and supplier associations and develop customer brands.

c. Electronic Product

(a) Digital Marketing and Diversified Channel Expansion: Leveraging web technology to establish an online visual product showcase platform, creating niche and customized sales models. The Company actively participates in professional industry forums and international exhibitions, while utilizing TAITRA resources for precision development to comprehensively expand its global market presence.

(b) Strategic Industry Alliances and Resource Integration: Driving peer alliances and collaborative R&D strategies to share development costs and accelerate sample delivery lead times. Simultaneously, the Company establishes strategic partnerships with leading power supply manufacturers to optimize and integrate resources across diverse product specifications, thereby improving project win rates and accelerating market expansion.

(c) Key Account Cultivation and Value Maximization: Applying data-driven behavioral analytics to long-term clients to identify and deeply develop high-growth potential accounts. By delivering customized services, the Company strengthens supply chain stickiness to maximize client value and solidify the foundation for sustainable operations.

B. Long-term business development plan

a. Continuous innovation in the development of textile composites: Actively developing sustainable products with new functions and entering new markets, developing high-value-added products, and increasing product profitability.

b. Establishing a global sales network: Seeking appropriate agents or distributors according to market potential, and utilizing AI to optimize online marketing and traffic tools, increasing international visibility. Apart from building a professional image, this also enhances exposure on search engines like Google, increasing potential customer visits and understanding opportunities.

c. Continuing to participate in international exhibitions: Strengthening brand promotion by participating in major international exhibitions (e.g., DEMA Dive Show in the USA, Foam Expo in the USA), increasing international visibility, attracting media attention and coverage through interactive experiences at the events, and participating in relevant professional forums and exhibitions.

d. Expanding overseas production bases: Primarily developing in Southeast Asia, expanding into the ASEAN region including Vietnam, India, Indonesia, and Thailand, and gradually expanding to the Middle East, Eastern Europe, and Africa.

e. Establishing sustainable supply chain relationships: Optimizing brand image and market cultivation, finding reliable suppliers and international renowned manufacturers, forming alliances to develop new products or becoming their OEM factories, establishing cooperative partnerships together.

f. Continuing to promote sustainability: Continuously promoting the Company's sustainable development goals, promoting energy conservation and environmental protection, optimizing employee benefits, actively participating in social welfare activities, and responding promptly to social issues of concern to enhance the Company's good corporate image and credibility.

2. Market and product & sales

(1). Market analysis

A. Analysis of available sales regions of product and service by company

Unit: NT$ thousands

Region \ Year	2024		2025	
	Sales	Ratio	Sales	Ratio
Taiwan	669,431	25.08%	589,307	24.25%
Asia	1,246,279	46.69%	1,187,318	48.86%
America	415,618	15.57%	366,021	15.06%
Europe	219,261	8.22%	206,060	8.48%
Other	118,492	4.44%	81,330	3.35%
Total	2,669,081	100.00%	2,430,036	100.00%

B. Market share and supply and demand of market in future and margin

Market share

a. Textile Composites

- Hook loop and functional tapes, Functional protective textiles and products

Our primary production bases are currently concentrated in Taiwan and Mainland China. While market growth potential remains in Europe and the Americas, where we are actively expanding our overseas business, recent geopolitical conflicts have severely impacted Western supply chains. This has resulted in prolonged transit times and increased transportation costs for shipments to Europe and the US. In response, we continue to integrate our supply chains in Taiwan and Mainland China while enhancing product diversification. These measures aim to strengthen customer service, deepen client stickiness, and bolster the market competitiveness of our products. On the business side, we are continuously upgrading our internal capabilities and sharpening our expertise and sensitivity regarding diverse materials. This enables us to respond rapidly to client demands and provide optimized recommendations. Furthermore, we are compressing our R&D and manufacturing lead times to accelerate overall product development efficiency, proactively driving higher customer satisfaction. By integrating our material supply chains and synergizing resources from affiliates and other external vendors, we aim to actively secure new OEM and ODM partnership opportunities with global brands.

■ Polymeric elastomer foam composite materials, Functional membrane and composite materials

We expanded to other markets outside Asia. We are developing the existing domestic market and Mainland Chinese market. We are establishing strong roots in Taiwan, with our foot in the World. Regarding the global supply chain layout, the Company adopts a "China+1" strategy. While maintaining operations in the Chinese market, it diversifies its presence by expanding to other countries to reduce reliance on a single market and supply chain. This approach aims to enhance operational flexibility, lower risks, and ensure the Company's competitive advantage and sustainable development in the global market.

We improve our brand's image and reputation, develop the overseas market, seek cooperation with global brands. We concentrate on tracking the current developing projects of flagship brand customers and discuss the information sources with customers or use it; we strive to understand and forecast future market trends. We promote to target customers. We analyze the product requirements of our key customers whose turnover has a significant increase. We integrate the supply chain and facilitate a customised production development.

b. Chemical Product

The current sales region focuses on Taiwan and Mainland China. Overseas direct customers have growth potential and should be actively expanded. The Company is currently evaluating the feasibility of establishing sales offices or assigning overseas sales representatives in Vietnam and Indonesia, while targeting the South Asia and Middle East regions for developing distributor and agent partnerships.

The Company introduces OEM, an access to brands, production plants, facilitated by stronger relations with brands via acquisition of product agents and distribution rights, so that products can be introduced then for orders. The mode allows quick contact with customers and expand customer service coverage.

To increase the visibility and awareness of our own product brand, the Company actively expands sales of our branded products through existing customers who act as product agents, aiming to boost revenue and profits.

c. Electronic Product

Our sales geographic mix is currently concentrated in Taiwan and Japan, which together account for approximately 90% of total revenue. This foundation is supplemented by Mainland China, Australia, and New Zealand, while market development initiatives continue to target expansion into Europe, the Americas, and emerging markets.

Future supply and demand of the market

a. Textile Composites

- Hook loop and functional tapes, Functional protective textiles and products

  We implement functional application and sustainability and environmental-friendliness; we increase our exposure via trade fairs or exhibitions. We respond and handle customer's orders promptly, utilize precision marketing to accurately identify and concentrate resources on the core customer segment. utilize precision marketing to accurately identify and concentrate resources on the core customer segment. Continue to strengthen the mobility and professional capabilities of sales personnel, establish strong customer relationships through high-quality service, and cultivate the market and clients with a proactive and responsible attitude to maintain solid partnerships.

- Polymeric elastomer foam composite materials, Functional membrane and composite materials

  We lack experience in customer development in India/Vietnam/Japan and other foreign markets. We develop qualified agents and traders and evaluate their willingness for cooperation and business ideas and suitability. We visit downstream distributors or end customers to understand the competence and evaluation of different distributors. We enhance development of upstream materials and suitability with the downstream market.

b. Chemical Product

Polymer products and special chemical products have been a severe red sea market for the longest time. The competition has not eased despite loads of customers downstream relocating overseas, while the competition relocated overseas. The output value will still grow, while customers downstream transfer to technical areas from the old industry. Non-toxic products replace products with highly toxic substances so that competitiveness is enhanced in the industry.

The concept of creating non-toxic products is gaining awareness. Even Mainland China - the major market is moving towards development of energy saving and carbon reduction and environmentally-friendly products. Non-toxic environmentally friendly products will be the mainstream market. The Company has been developing this category. Aside from going with the trend, we are allowing ourselves to transform into a green production company.

c. Electronic Product

The global power supply market is currently undergoing a structural transformation driven by AI computing demand, with server power supply segments projected to demonstrate a robust growth rate of up to 56% between

2025 and 2026. As electronic products diversify and integrate more complex functionalities, market demands are rapidly shifting toward high-mix, low-volume customization, positioning R&D capability and agility as the ultimate competitive edge.

In response to these dynamic international shifts and industry pulses, the Company continues to allocate strategic resources into new product R&D to enhance both the breadth and depth of our portfolios. To navigate this expansion, we deploy a rigorous strategic evaluation mechanism, precisely targeting high-growth markets and premium client segments to ensure that every R&D investment successfully translates into substantial and sustainable profitability.

C. Pros and cons of niche competition and development vision and response

Niche competition

a. Textile Composites

■ Global Digital Marketing Layout

Since 2020, our company has actively utilized the advantages of our core and differentiated products to construct comprehensive content. Overcoming constraints of manpower and time, we have initiated global digital marketing tools, successfully attracting proactive inquiries from clients. In 2025, our digital marketing activities expanded globally, accumulating an increase of 7,608 customer inquiries since implementation and bringing in growth of over 624 new customers through online transactions. This demonstrates the significance of digital marketing to our business. In recent years, through continuous adjustment and optimization of content, we have deepened our focus on customer needs, optimized product marketing keywords, and improved graphic and textual content to expand global development opportunities.

■ Innovative Research and Development of Differentiated Textile Composite Materials

The Eco-Family series marks an important milestone in the Company's sustainable material development. This product line encompasses various eco-friendly solutions, based on five core technologies: recycled materials, bio-based materials, solvent-free or water-based processes, biodegradable materials, and carbon capture utilization (CCU). We are committed to creating high-tech textiles and composite polymer materials using sustainable recycled materials (Eco-Family series), lightweight materials, and intelligent composite materials. In addition to collaborating with long-term supply chains, we actively explore new sustainable suppliers to gain competitive advantages in new raw materials. By combining diverse innovative and processing technologies, we provide highly customized materials and finished product services, creating a one-stop shopping experience. In recent years, our efforts in developing environmentally friendly materials have gained recognition from brand customers, gradually increasing order volume and deepening cooperation relationships with brand customers, which has become our competitive advantage.

b. Chemical Product

(a) We will promote self-owned brand and OEM co-exists. We integrate technical core, customize products with special specifications. We plan our market strategy for OEM opportunities to increase business power.

(b) We master our product techniques and associate with suppliers upstream.

(c) Positioning ourselves as a "Solution Provider," we not only supply chemicals but also enhance technical support and after-sales service, actively assisting customers and creating value for their needs.

c. Electronic Product

(a) We integrate techniques and profession in the market of specific applications with fast and complete service and new competitive products. We are increasing market share as well as the gross margin of our products.

(b) We increase service and components agent so that it will deepen our customer relations, e.g., we offer customized magnetic and hardware components, apply for safety certificates for our customers, provide product testing, etc.

Advantages

a. Textile Composites

■ Increasing Demand in the Medical and Healthcare Markets

Affected by international conflicts, demand for medical industry-related consumables has increased, contributing to the growth in sales of hook and loop fasteners and various functional woven tapes. In the future, we will maintain excellent quality to meet the high specifications of the medical industry. We will also strengthen cooperation with partner factories to enhance service capabilities in the later stages of processing, allowing customers to experience the convenience of one-stop shopping and deepen customer loyalty.

■ Providing Diverse Composite Textile Materials

Committed to the innovation of diversified and environmentally friendly textile composite materials, including hook and loop fasteners and various functional woven tapes, special textile protective products and materials, polymer elastomer foamed composite materials, functional films, and composite materials. With various processing techniques, we can meet the special needs of customers across industries and domains.

Regardless of the development of biomass materials or recycled materials, our achievements have been validated through various certifications (such as USDA Bio-Based Product Label, Oeko-Tex Standard 100 certification, Bluesign certification, UL certification, FSC Forest Management Committee verification, Sustainable Apparel Coalition (SAC) Higg FEM Plant Environmental Management and FLSM Social Labor Verification), our capabilities and product reliability have continuously improved, leading to an increasing proportion of orders from foreign brand customers.

b. Chemical Product

(a) Environmental friendliness is a universal value. Promotion of non-toxic products and environmentally-friendly policy boosts the demand of business clients for the category.

(b) Long-term development in the market and sound relations with important customers allows a foot in the door.

(c) We master cost-effective and core technical competence and productivity.

(d) We have an experienced business team with stable financial structure, business competency and profitability.

c. Electronic Product

The surging demand catalyzed by AI and the renewable energy sectors is actively triggering a restructuring of the end-user supply chain, creating an exceptional market entry window for the Company. Addressing current market pain points, such as the inconsistent quality and lagging after-sales support of low-cost competitors, we leverage our geographic advantages rooted in Taiwan alongside our premier technical service teams to deliver high-performance solutions and cultivate profound client trust.

Furthermore, with global ESG mandates and impending stringency in energy efficiency regulations set for mandatory implementation by the end of 2028, the market transition toward high-efficiency power supplies is irrevocable. We view this shift as a definitive strategic catalyst to capture new client accounts. By proactively developing high-standard, environmentally compliant products, we empower our clients to seamlessly align with regulatory changes while expanding our market share and elevating overall brand value.

<u>Disadvantages</u>

a. Textile Composites

(a) Increase in Personnel Costs: Faced with the annual rise in minimum wages and inflation, coupled with a growing awareness of labor rights and human rights protection, the Company's personnel costs have increased.

(b) Volatility in Raw Material Prices: Fluctuations in raw material prices are driven by international conflicts and climate change-induced imbalances in supply and demand. These fluctuations significantly impact customer order demands and the Company's profitability.

(c) Geopolitical Risks: The unpredictable nature of international geopolitical dynamics necessitates continuous enhancement of operational capabilities across diverse locations to mitigate the impact of geopolitical risks.

b. Chemical Product

(a) The employee turnover rate is high. It hampers the technique development and industrial competitive.

(b) Environmental concerns emerge. Environmental standard is getting strict and hampers certain production aspects.

(c) Raw material prices are controlled by international manufacturers and hampers cost control.

c. Electronic Product

The rapid rise of mainland Chinese manufacturers, fueled by abundant capital and resource advantages, has driven the power supply market into intense price competition. In the traditional commodity-spec order segment, a highly price-driven market environment continues to squeeze the profitability of Taiwanese enterprises.

Response

a. Textile Composites

(a) Coping with annual increases in personnel costs

- Maximize order efficiency through automated systems.
- Gradually introduce self-operated equipment to improve production quality and reduce labor costs.
- Enhance employee skills and efficiency through On-the-Job Training (OJT) to utilize human resources more effectively.

(b) Strategies for coping with large fluctuations in raw material prices

- Continuously monitor trends in raw material prices and adjust procurement strategies based on demand forecasts to optimize purchasing.
- Strengthen cooperation and communication with suppliers to stabilize the supply of raw materials.
- Develop new suppliers to reduce dependence on a single supplier and mitigate risks from fluctuations in raw material prices.

(c) Measures to address geopolitical risks

- Strengthen operations at the Vietnam plant to diversify risks and reduce dependence on a single region.
- Evaluate operational layouts in other Southeast Asian regions to find more stable operating environments to address the impact of geopolitical risks.

b. Chemical Product

(a) Shorten the production process and simplify production items to reduce labor usage.

(b) We orient employees, increase remuneration and benefits, reduce work load, and create a quality work environment.

(c) We are replacing environmental-hampering solvent products with green non-toxic products. Meanwhile we optimise waste water treatment equipment and commission waste disposal to professional parties regularly.

(d) We develop high added value products and reduce material cost.

c. Electronic Product

The Company adopts a proactive transformation strategy, gradually downsizing traditional mass production lines to shift our focus toward high-quality and high-reliability niche markets. By optimizing production scales and raising technical barriers to entry, we successfully bypass the red ocean of homogenized products, dedicating our efforts to solidifying core competitive advantages with high value-add.

(2). Main purpose and production process of major products

a. Textile Composites

■ Hook loop and functional tapes

Divided into standard and special functional hook and loop fasteners, plastic injection hooks, napping fabrics, and knitted tape series, etc. We are working on product diversification. It can apply to tags, loafer fasteners and package. The production is via weaving machine that weaves rough belts, and then it will be carved for hook and be an end product.

■ Functional protective textiles and products

Other than general textiles, it is highly resistant, elastic, tough, and compatible fabric with other functions. It protects the weak body part under adverse conditions. Suitable for various types of protective clothing and supplies with functions such as puncture resistance, cut resistance, abrasion resistance, and fire resistance. The production method involves using functional yarns to weave functional fabrics, which are then used in special areas requiring protection.

- Polymeric elastomer foam composite materials

  Foam is enclosed. Different rubbers can be applied depending on requirements (e.g., chloroprene rubber, styrene-butadiene rubber, EVA, etc.). The products are water-proof, thermal-insulating, and buffer, suitable for wetsuits, surfing suits, swimsuits, sweat suits, medical protective gear, insoles, sports gear, bags, etc. The production of foaming sponge is via combination of foaming resin, foam aide, and adhesive resin (adhesive to end product).

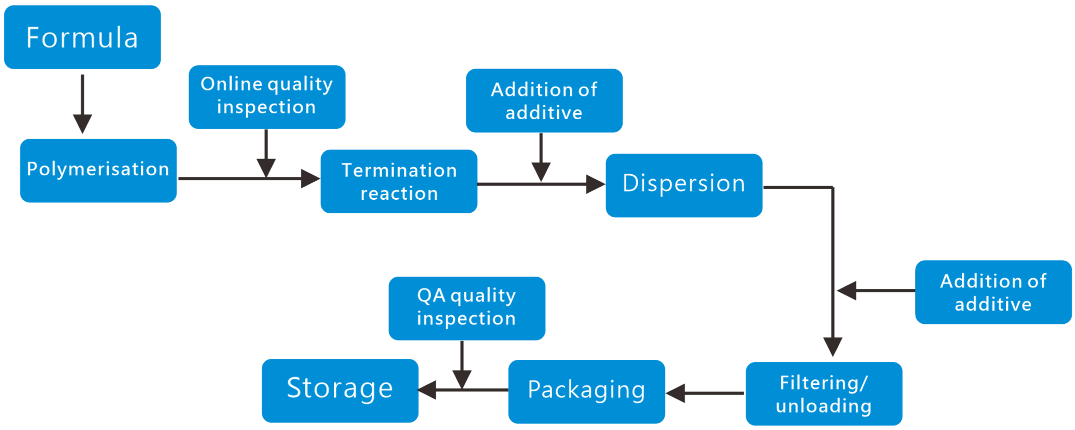
- Functional membrane and composite materials

  Polymer films, thermoplastics, TPU films, TPEE films, micro-porous films are wind-proof, water-proof, moisture permeable and environmental friendly, suitable for wind jackets, raincoats, jackets, car cover, sleeping bags, etc. The production is via heating plastic particles then coating or blowing in order to get film products.

b. Chemical Product

(a) Polymer products supply synthetic leather, split leather, genuine leather, textile, and shoes, and other industrial use, etc.

(b) Special chemical supply mainly for garment textile, shoe materials, cotton filling, furniture and bed, medical cloth and rubber plastic foaming and injection, and other industrial use, etc.



c. Electronic Product

The main purpose of power supply is power conversion. It can be categorised into 1. AC to AC 2. AC to DC 3. DC to AC 4. DC to DC; the Company products include all types of conversion, mainly AC to DC. Its installation is attached or embedded, attached; attachment can be wall or desk insertion, replaceable AC plugs; embedding can be shell or open, then be categorised into ten groups based on details and use.

The main production process is via mounting chip resistor and componnent, plug-in of general electronics, soldering, product test and package phase.

(3). Supply condition of main materials

The Company's main raw materials include chloroprene rubber, yarn, fabric, rough matte belts, flame-retardant fibers, and plastic pellets. All key suppliers are long-term partners, and the Company maintains stable and strong cooperative relationships with them.

(4). Customers with a gross sale over ten percent and their sales and ratio in either year of the past two years

A. Major suppliers for the past two years

Unit: NT$ thousands

	2024				2025				2026 as of previous quarter			
No.	Item	Amount	Ratio of net purchases in the whole year (%)	Relationship with Issuer	Item	Amount	Ratio of net purchases in the whole year (%)	Relationship with Issuer	Item	Amount	Ratio of net purchases in the whole year (%)	Relationship with Issuer
1	-	-	-		-	-	-		-	-	-	
	Other	1,425,382	100.00		Other	1,328,693	100.00		Other	348,939	100.00	
	Net purchase	1,425,382	100.00		Net purchase	1,328,693	100.00		Net purchase	348,939	100.00	

Explanation of increase and decrease: The purchase ratio of each supplier in the last two years of our company was less than 10%, which shows that our company has good cooperation with major suppliers, the source of supply is stable, and there is no purchase concentration.

B. Major customers for the past two years

Unit: NT$ thousands

	2024				2025				2026 as of previous quarter			
No.	Item	Amount	Ratio of net sales in the whole year (%)	Relationship with Issuer	Item	Amount	Ratio of net sales in the whole year (%)	Relationship with Issuer	Item	Amount	Ratio of net sales in the whole year (%)	Relationship with Issuer
1	Company A	269,789	10.11	None	-	-	-		Company A	66,968	11.14	None
	Other	2,399,292	89.89		Other	2,430,036	100.00		Other	534,216	88.86	
	Net sales	2,669,081	100.00		Net sales	2,430,036	100.00		Net sales	601,184	100.00	

Explanation of increase and decrease: For the fiscal year 2024 and 2026 as of previous quarter, there is only one customer that accounts for more than 10% of the Company's sales, and the proportion of net sales has not changed much. In addition, customers with sales below 10% account for about 80% to 90%, indicating that the Company maintains a stable cooperative relationship with its major customers and there is no sales concentration.

3. Employee information by past two years and end of March 31, 2026

Year		2024	2025	As of March 31, 2026
Number of Employees	Direct labor	330	321	330
	Indirect and management sales staff	419	399	403
	Total	749	720	733
Average age		42.08	42.29	42.32
Average service term		10.83	11.36	11.24
Highest Degree	PhD	0.40%	0.42%	0.41%
	Master's	6.14%	6.11%	6.00%
	Bachelor's	41.66%	43.33%	42.57%
	High School (including) and below	51.80%	50.14%	51.02%

4. Environmental cost

(1). Environmental damage (including indemnity and environmental protection inspection of violations to environmental law. Specify disposition date, disposition reference number, violated articles, violated content, disposition details) by recent year end and closure of annual report shall be disclosed: None.

(2). Current and potential loss and response. Shall it fail to be reckoned, it shall be justified by fact: None.

5. Labor relations

(1). Employee benefits, development, training, pension, and its implementation, and Labor agreement and employee protection:

A. Employee benefits, development, training

a. Benefits: includes labor insurance, universal health insurance, company accident insurance, holiday bonus, wedding/funeral subsidy, birthday coupon, birth subsidy, child scholarship, association activities and subsidy, department eat-out, annual employee heath check, year end banquet and lantern festival lottery, employee travel, meal cheques, employee discounts, liaised shops.

b. Employee benefit remuneration committee: The Company established the Employee Remuneration Committee that looks after employees' welfare, facilitate wellbeing, and maintain labor relations as main purpose. Employees elect members for the said committee who organise and execute employee benefit plans with reference to company advice. Labor relations are strengthened hence and employees are oriented.

c. On-the-job training: onboard training is provided to new employees. Employees during service will be trained based on one's function, self-conducted or commissioned professional and management training. Complete training system will improve the profession and competency of employees.

Training details for 2025

Training	Sessions	Number of Participants	Total hours	Total expenses (NT$)
1. Onboard	59	256	577	-
2. Profession and competency	222	2,415	3,919	280,707
3. Leadership	38	478	2,689	336,412
4. General education	46	490	358	-
Total	365	3,639	7,543	617,119

Training details of managers for 2025

Title	Name	Date Elected	Term of training		Organiser	Session	Hour(s) of training
			Start	End			
General Manager	Wang, Kelly (Wang, Ling-Shuang)	January 1, 2025	September 25, 2025	September 25, 2025	Taiwan Corporate Governance Association	Corporate Integrity Codes and Mitigation of Director Liability Risks	3
			September 25, 2025	September 25, 2025	Taiwan Corporate Governance Association	Corporate Governance Approaches to Wealth Succession and Trusts	3
Vice General Manager of Finance & Chief Financial Officer	Pai, Ching-Jen	December 31, 2020	September 25, 2025	September 25, 2025	Taiwan Corporate Governance Association	Corporate Integrity Codes and Mitigation of Director Liability Risks	3
			September 25, 2025	September 25, 2025	Taiwan Corporate Governance Association	Corporate Governance Approaches to Wealth Succession and Trusts	3
Accounting Manager / Corporate Governance Officer	Su, Meng-Hsu	August 16, 2016	July 9, 2025	July 10, 2025	Business Council for Sustainable Development of R.O.C.	Analysis of the 2025 CDP Climate Change Questionnaire for General Industries: Integrated Module Course	9
			July 29, 2025	July 29, 2025	Taipei Exchange	2025 Insider Equity Publicity Briefing For Emerging Companies	3
			August 15, 2025	August 15, 2025	The Institute of Internal Auditors - Chinese Taiwan	Key Seminars on Sustainability Information Management and Internal Control and Audit Practices	6
			August 21, 2025	August 22, 2025	Accounting Research and Development Foundation	Accounting Manager Training At Issuer Securities Issuer	12

Title	Name	Date Elected	Term of training		Organiser	Session	Hour(s) of training
			Start	End			
Accounting Manager / Corporate Governance Officer	Su, Meng-Hsu	August 16, 2016	October 2, 2025	October 2, 2025	The Institute of Internal Auditors - Chinese Taiwan	Practical Analysis and Response Strategies for Insider Trading and Financial Statement Misstatement	6
			September 25, 2025	September 25, 2025	Taiwan Corporate Governance Association	Corporate Integrity Codes and Mitigation of Director Liability Risks	3
			September 25, 2025	September 25, 2025	Taiwan Corporate Governance Association	Corporate Governance Approaches to Wealth Succession and Trusts	3
Finance Manager	Chiu, Shu-Chen	July 1, 2023	September 25, 2025	September 25, 2025	Taiwan Corporate Governance Association	Corporate Integrity Codes and Mitigation of Director Liability Risks	3
			September 25, 2025	September 25, 2025	Taiwan Corporate Governance Association	Corporate Governance Approaches to Wealth Succession and Trusts	3

d. Employee training subsidy: the Company encourages constant development and training for employees. Besides annual planning of employee training, commissioned training from business requirements will be covered or partially reimbursed by the Company. Should employees study and apply for part-time universitites, it will be awarded or reimbursed.

B. Pension and implementation

The pension of the Company and subsidiaries is subject to former and current pension act. Pension is allocated per month by law to the personal pension account of the Bureau of Labor Insurance and account of Supervisory Committee of Business Entities' Labor Retirement Reserve.

C. Labor agreement and maintenance of employee benefits

a. Labor conference: there is a regular labor conference every three months. Labor and company representative discuss and communicate issues for agreement and implementation.

b. Q&A and appeal: the Company pays attention to employees' Q&A. Employees may express themselves towards direct manager or General Manager vis-à-vis or via written form to a designated letter box. It allows communication and advice exchange between Labor and the Company.

c. Protection of employee benefits: our employee benefits are implemented pursuant to the Labor act and regulations. We offer, in addition, comprehensive and complete health care and assistance for coworkers, e.g., locale nursery, health check, company insurance and first-aid assistance, etc.

(2). **Specify date, reference, violated rules, violation of disposition and disposition details from loss of Labor disputes in recent year and by closure date of report issue:**

<table>
<tr><th>No.</th><th>Date of disposition</th><th>Disposition reference</th><th>Violation concerned</th><th>Disposition</th></tr>
<tr><td rowspan="2">1</td><td>February 5, 2025</td><td>Occupational permit ref. 1140250407</td><td>Occupational Safety and Health Facilities Regulations - Article 126 & Occupational Safety and Health Act - Article 6, Para. 1</td><td>NT$100,000 fine</td></tr>
<tr><td colspan="4"><u>Violation concerned:</u>
The employer failed to assign personnel who had received special work safety and health education and training to operate a forklift with a load capacity of more than 1 ton.</td></tr>
<tr><td rowspan="2">2</td><td>March 19, 2025</td><td>Occupational permit ref. 1140251148</td><td>Occupational Safety and Health Facilities Regulations – Art. 57, Para. 1; Article 243, Para. 1, Subpara. 1 & Occupational Safety and Health Act – Art. 6, Para. 1</td><td>NT$110,000 fine</td></tr>
<tr><td colspan="4"><u>Violation concerned:</u>
The employer failed to stop the operation and feeding of machinery, equipment, or related components during cleaning, lubrication, inspection, repair, or adjustment processes, despite the potential risk of harm to workers.
The employer failed to install ground-fault circuit interrupters (GFCIs) with appropriate specifications, high sensitivity, and fast response on electrical circuits of portable or mobile electric equipment with a voltage to ground exceeding 150 volts, thereby neglecting to prevent electric shock hazards.</td></tr>
</table>

(3). **Current and potential estimation of cost and response measures. Shall estimation fail, please justify by fact: N/A.**

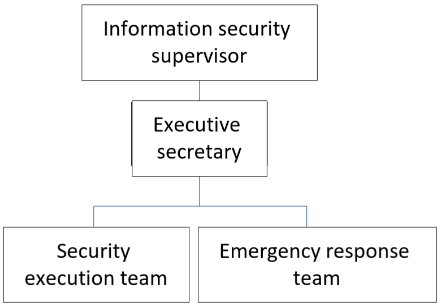
6. Cyber security management

(1). **Information on cyber risk management structure, information security policy, concrete management plan and resources for information security management.**

A. Information security risk management structure

a. In order to reinforce cyber security management, data security, system and internet security, reduction of cyber risks, we established a cyber security implementation team and facilitate cyber security audit internally and externally regularly by the Company.

b. Cyber security team: One cyber security supervisor and one executive secretary, including security execution team, emergency response team.



B. Cyber security policy:

The cyber security policy was promulgated so that it allows the cyber security management to be implemented, function, be supervised and managed, prevail, thus the confidentiality, integrity, and availability of the information system by the Company will be ensured. It serves as a guideline for employees and ensures the right of the entire employees. We anticipate the entire employees understand, implement, and maintain the business targets of the Company.

a. Improvement of cyber security, management of security

We supervise entire staff to implement cyber security. No one is left behind from cyber security. We inform cyber security per year to improve cyber security awareness. Shall there be violation to cyber security, the violator will be disciplined pursuant to disciplinary rules.

b. Complementing cyber protection. Ensuring operation to prevail

Everyone in the Company implements the cyber security system, in order to protect information and asset from improper management of outer and inner personnel that risks leaks, damage, or loss. Proper cyber security measures are selected to reduce risks to an acceptable level for constant supervision, review, and audit of the ISMS system. It ensures operation to prevail and suitability is achieved.

C. Management details and invested cyber security resources

The invested cyber information management includes that of the current year by the Company includes:

a. The Company has successfully implemented the ISO 27001 Information Security Management System and passed the audit conducted by a third-party certification body in June 2025, officially obtaining the updated ISO 27001:2022 certification. Through the PDCA management cycle, we ensure that our information security management mechanisms remain aligned with international standards and maintain the ongoing validity of the certification.

b. The Company has established a robust cybersecurity defense system encompassing firewalls, intrusion detection, and endpoint protection systems, with protective signatures updated on a regular schedule to ensure the real-time detection and interception of both known and unknown malicious attacks, thereby mitigating the risk of external threat penetration. To safeguard against ransomware and phishing threats, we have developed an internal malicious email social engineering simulation program. Unscheduled drills and comprehensive education training are conducted for all employees to enhance their ability to identify and respond effectively to social engineering attacks.

c. The Company's Wang Hang plant has deployed a modernized and manageable network architecture to ensure stable and highly efficient communication quality. In terms of cybersecurity defense, physical isolation and logical segmentation have been implemented to safeguard the security of operational technology within production lines and information technology in the office environment. Concurrently, we have introduced visualized management tools for cybersecurity equipment to enhance network traceability and reinforce defensive measures against external malicious attacks.

d. To ensure the stable execution of core business operations including administration, production, sales, R&D, and finance, the Company has established a High Availability system architecture. We conduct cybersecurity recovery drills at least once a year and integrate an off-site backup mechanism. By periodically validating data restoration effectiveness, we continuously optimize emergency response and post-disaster recovery efficiency, thereby safeguarding corporate resilience and operational stability.

(2). Specify loss, potential effects and measures from material information security events from the recent year end and closure date of annual report; shall estimation fail, please justify by fact: N/A.

7. Important contracts:

Type of contract	Creditor	Term of contract	Details	Limitation
Credit	Land Bank of Taiwan Co., Ltd.	May. 26, 2025 - May. 25, 2030	Syndicated Loan	Maintain certain financial ratios

V. Review of Financial Conditions, Financial Performance, and Risk Management

1. Financial status

Unit: NT$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	1,763,165	1,788,618	(25,453)	(1.42)
Property, plant, equipment	901,962	911,602	(9,640)	(1.06)
Other assets	819,368	842,189	(22,821)	(2.71)
Total Asset	3,484,495	3,542,409	(57,914)	(1.63)
Current liabilities	1,056,076	867,410	188,666	21.75
Other liabilities	668,001	850,741	(182,740)	(21.48)
Total liabilities	1,724,077	1,718,151	5,926	0.34
Share capital	1,224,032	1,224,032	-	-
Legal reserve	100,784	100,784	-	-
Retained earnings	256,084	290,591	(34,507)	(11.87)
Other equity	179,518	208,851	(29,333)	(14.04)
Non-controlling equity	-	-	-	-
Total Stockholders' Equity	1,760,418	1,824,258	(63,840)	(3.50)

The main reasons for and impact of major changes in assets, liabilities and equity in the most recent two years. If the impact is significant, the future response plan should be explained:

Analysis and explanation of variations exceeding 20%:

1. Current liabilities increase: due to increase in current portion of long-term borrowings.
2. Other liabilities decrease: due to decrease in bonds payable.

Future response plans for significant impacts:

The aforementioned changes do not have any significant adverse impact on the Company. As the overall performance of the Company remains stable without any material abnormalities, no specific response plan is deemed necessary.

2. Business performance

Unit: NT$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Operating revenue	2,430,036	2,669,081	(239,045)	(8.96)
Operating cost	1,817,808	1,931,002	(113,194)	(5.86)
Gross profit	612,228	738,079	(125,851)	(17.05)
Profit from operations	45,030	144,635	(99,605)	(68.87)
Non-operating income and expenses	7,700	49,757	(42,057)	(84.52)
Operating income	26,695	137,751	(111,056)	(80.62)
Discontinued income (Loss)	-	-	-	-
Net profit for the year	26,695	137,751	(111,056)	(80.62)
Other comprehensive income (income after tax)	(29,333)	52,766	(82,099)	(155.59)
Total comprehensive income	(2,638)	190,517	(193,155)	(101.38)
Net income attributable to shareholders of the parent	26,695	137,751	(111,056)	(80.62)
Net income attributable to non-controlling equity	-	-	-	-
Comprehensive income attributable to Shareholders of the parent	(2,638)	190,517	(193,155)	(101.38)
Comprehensive income attributable to non-controlling equity	-	-	-	-

The major reasons for significant changes in operating revenue, operating income, and profit before tax over the past two fiscal years, as well as the projected sales volume and its basis, and the possible impact on the Company's future financial and business operations, along with response plans:

Analysis and explanation of variations exceeding 20%:

1. Profit from operations / Operating income / Net profit for the year decrease: due to decrease in orders.
2. Non-operating income and expenses decrease: due to increase in foreign exchange losses.
3. Other comprehensive income / Total comprehensive income decrease: due to decrease in unrealized valuation gain/(loss) on financial assets at income and exchange rate converted from financial statement of foreign operating institutes.

Future response plans for significant impacts:

The aforementioned changes do not have any significant adverse impact on the Company. As the overall performance of the Company remains stable without any material abnormalities, no specific response plan is deemed necessary.

Expected sales volume and basis:

Based on forecasts of industry conditions and market demand.

3.Cash flow

(1). Cash flow alteration analysis

Unit: NT$ thousands

Item	2025	2024	Difference		
			Amount	%	Explanation
Operating activities	200,174	211,522	(11,348)	(5.36)	-
Investing activities	(133,068)	377	(133,445)	(35,396.55)	Due to the acquisition of financial assets measured at amortized cost and acquisitions of property, plant, and equipment in 2025.
Financing activities	(68,954)	(211,905)	142,951	(67.46)	Due to Proceeds from long-term borrowings in 2025.
Effect of exchange rate changes	(2,092)	19,794	(21,886)	(110.57)	Due to exchange rate flow.
Net cash flow	(3,940)	19,788	(23,728)	(119.91)	

(2). Improvement plan for insufficient liquidity: N/A.

(3). Cash flow analysis for the coming year

Unit: NT$ thousands

Estimated cash and cash equivalents, beginning of year	Estimated net cash flow from operating activities	Estimated cash outflow (inflow)	Cash surplus (deficit)	Leverage of cash surplus (deficit)	
1	2	3	1+2+3	Investment plans	Financing plans
797,457	186,265	(143,778)	839,944	-	-

Analysis of cash flow changes:

1. Operating activities: Net cash inflows from operating activities are expected, mainly attributable to profits generated from operations.
2. Investing activities: Net cash outflows from investing activities are expected, primarily due to capital expenditures such as asset acquisitions.
3. Financing activities: Net cash outflows from financing activities are expected, mainly for the payment of cash dividends and debt repayment.

Plan to improve liquidity shortage and cash flow analysis for the coming year:

The Company has no liquidity shortage.

4. **Effects from recent annual material capital to finance: N/A**

5. **Investment policy, earning or loss from recent year-cause, rectification, and investment plan for coming year**

Amid the world's trend and government policy, the Company's re-investment strategy targets green energy and visionary technical products. We are based in Taiwan and developing in Asia-Pacific, eyeing the global market, in order to create margin and profit.

The Company currently invests are listed as follows:

JIAXING NANXIONG POLYMER CO., LTD.

Mainly produces and sells waterproof and breathable membrane products, protective materials and applications, home textiles, bedding materials and finished product processing, combined with a well-established local supply chain partnership to meet customers' specific needs. In the future, the Company aims to apply membrane materials in the medical and automotive markets, and protective materials in the industrial market, actively expanding internationally to increase market share.

DONG GUAN NAMLIONG RUBBER MANUFACTURES CO., LTD.

Mainly produces foam materials, special processing of foam materials, and OEM finished product processing. With its technical and production capabilities, the Company strives to create differentiated products, including Eco-Family series products and industrial application materials, actively developing opportunities with brand customers and different markets to increase market share.

NAM LIONG ENTERPRISE CO., LTD. (VIET NAM)

Mainly produces foam material splitting and laminating processing, collaborating with local branded finished product OEM factories to expedite rapid delivery in response to brand customer demands. By improving product quality and stability, the Company aims to gain more customer support, enhance market share, and move towards steady operations.

GREENCHEM INTERNATIONAL CO., LTD.

Business items of GREENCHEM INTERNATIONAL CO., LTD. focus on friendly antimicrobial agents, textile auxiliaries and polymer products, mainly applied to special textile products and leather. Its subsidiary GREENCHEM INTERNATIONAL SHANGHAI CO., LTD. mainly produces and sells antimicrobial agent, natural anti-mite agent, functional ceramic polymer masterbatches and long-acting silver ion antibacterial agent, other products, etc. Greechems will be more cautious and take steady operation and quality improvement as strategy for 2026, so that the maket share of products will increase.

ELEMENTECH INTERNATIONAL CO., LTD.

ELEMENTECH INTERNATIONAL CO., LTD. focuses on switching power supplies as its core business, with a product marketing footprint extended globally. Under the leadership of the management team, the Company demonstrates robust operational resilience through R&D innovation, personnel cost optimization, and the deepening of client services. Currently, ELEMENTECH products have successively advanced to comply with the Level VII efficiency standards, the highest threshold set by international energy organizations, underscoring the Company's commitment to environmental sustainability and high-performance technology.

Looking ahead, the Company actively drives a strategic product transformation and has officially entered the R&D fields of industrial equipment power supplies and home security devices. We will continue to place compliance with next-generation energy regulations at the core of our development, dedicating our efforts to building a diversified matrix of energy-saving products and precisely aligning with global green energy market demands through our technological leadership.

SUZHOU GREATSUN ELECTRONICS & COMMUNICATIONS CO., LTD.

SUZHOU GREATSUN ELECTRONICS & COMMUNICATIONS CO., LTD. serves as a key production base for ELEMENTECH, specializing in the manufacturing of power supply products. To meet the rigorous high-quality standards demanded by ELEMENTECH, SUZHOU GREATSUN actively implements measures such as process optimization and lean material management. Through deep collaboration in quality and technology between both parties, the partnership has not only significantly enhanced production efficiency and capacity utilization but also further strengthened product price competitiveness and delivery lead times in the international market.

6. Analysis and evaluation of risk items

(1). Interest rate, exchange rate change, inflation impact to company's income and future response measures:

The Group takes part in sales and purchases evaluated with foreign currency, thus the Group is likely to risk exchange rate crash. In order to avoid change in exchange rate that depreciates the foreign currency and cash flow, the Group offsets the risk of exchange rate flow with asset and liability in foreign currency. In 2025 and 2024, The Group has a 75.78% and 75.80% in sales counted in currency with which it is not traded by the group as its individual function.

The interest rate risks interest flow in the market, and the fair value flow of financial products or cash flow change. The Group is in possession of financial asset and financial liability of floating exchange rate, so that the cash flow risks exchange rate risk. The Group's management monitors the change in exchange rate of the market on a regular basis and adapts financial liability with flow rate, so that the interest rate of the Group approaches to the market rate and offsets the risk in change in exchange rate. The Company does not trade financial products (including financial derivatives) with speculative purpose.

(2). Cause and future response plan for policy, earning or loss of highly-risky, high-leverage investment, capital loan and guarantee and derivatives trades

The Company has not taken part in highly-risky, high-leverage investment, or derivates trades in recent year or by end of closure state of annual report. The capital loan and guarantee endorsement was conducted capital loan procedure and endorsement guarantee guideline. The regarding content is announced by regulatory of competent authority and disclosed in each financial report.

(3). Future R&D plan and R&D budget

R&D product	R&D and mass production schedules	R&D estimation	Major factors that will impact the R&D in future
Eco-friendly lamination for high-extensibility foam composites	Under product development and trial production. 2025 new products entered mass production, with portfolio expansion ongoing in 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials and key technologies 2.Environmental protection along with restricted and banned substances policies 3.Customer requirements and the extent of market promotion
WSR circular recycled polymers (WSR-30 low hardness / WSR-50 high hardness)	Under product development and trial production. Development completed in 2025; new product expansion ongoing in 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials 2.Environmental protection along with restricted and banned substances policies 3.Customer requirements and the extent of market promotion
Enhancing R&D of high flame-retardant aluminum-laminated protective materials	Development completed, with ongoing expansion.	R&D cost overall makes up of personnel charge and product development	1.Mastery of key technologies 2.Customer requirements and the extent of market promotion 3.Product performance and quality stability
Energy-based functional health textiles (Sleep and wellness series)	Under product development and trial production. The development is expected to be completed by the end of 2026.	R&D cost overall makes up of personnel charge and product development	1.Customer requirements and the extent of market promotion 2.Product performance and quality stability 3.Mastery of core materials

R&D product	R&D and mass production schedules	R&D estimation	Major factors that will impact the R&D in future
Development of wide-width hook and loop fasteners	Under product development and trial production. Development scheduled for completion by year-end 2026.	R&D cost overall makes up of personnel charge and product development	1.Product performance and quality stability 2.Customer requirements and the extent of market promotion 3.Mastery of critical equipment and key technologies
Development of elastic hook-surface stretchable fasteners	Under product development and trial production. Development scheduled for completion by year-end 2026.	R&D cost overall makes up of personnel charge and product development	1.Product performance and quality stability 2.Customer requirements and the extent of market promotion 3.Mastery of critical equipment and core materials
Development of green processed products (solvent-free eco-friendly HF adhesive)	Under product development and trial production. Development scheduled for completion by year-end 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials 2.Environmental protection along with restricted and banned substances policies 3.Product performance and quality stability
Interlocking mushroom head fastener development	Under product development and trial production. Development scheduled for completion by year-end 2026.	R&D cost overall makes up of personnel charge and product development	1.Product performance and quality stability 2.Customer requirements and the extent of market promotion 3.Mastery of critical equipment and key technologies
High-level cut-resistant products	Under product development and trial production. Develop higher performance products with new technology by 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of key technologies 2.Product performance and quality stability
Industrial-grade foam development	Under product development and trial production. Complete validation of new product items by 2026.	R&D cost overall makes up of personnel charge and product development	1.Product performance and quality stability 2.Customer requirements and the extent of market promotion 3.Mastery of core materials and key technologies

R&D product	R&D and mass production schedules	R&D estimation	Major factors that will impact the R&D in future
Low-friction coefficient coatings	Under product development and trial production. Complete pilot production by 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials and key technologies 2.Customer requirements and the extent of market promotion
Functional flame-retardant membrane materials	Under product development and trial production. Complete pilot production by 2026.	R&D cost overall makes up of personnel charge and product development	1.Mastery of core materials and key technologies 2.Customer requirements and the extent of market promotion
Electronic reset-type buttons Residual current circuit breakers with overload protection (for domestic solar water heaters)	Development started in 2025Q1. To complete in 2026Q4.	R&D cost overall makes up of personnel charge and patent application costs.	1. Selection of components to accelerate development speed 2. Verification and stable production capability for quality assurance
Development of Power Supplies Meeting New Energy Efficiency Regulations (Level 7)	Development started in 2025Q2. To complete in 2026Q4.	R&D cost overall makes up of personnel charge and product development	1. Case management and development efficiency 2. Support customers in compatibility matching, troubleshooting, and integration capabilities
Implementing a New Business Model of Power Solutions that Adds Value through Service	Development started in 2025Q2. To complete in 2026Q4	R&D cost overall makes up of personnel charge and product development	1.Project management skills 2.Communication skills with customers throughout the development process 3. System troubleshooting and integration capabilities

(4). Impact and response plan for alteration in domestic and international legal policy

The Company complies with relevant regulatory. We master change in important policy and law. Recent change of domestic and international policy and law has not hampered materially to business finance or business.

(5). Impact and response plan for technology change (including information security risk) and industrial change

Digitalisation is a future technical trend. The Company elevates core technique as well as adjusts product combination, so that the Company is competitive and overall operation performance is improved.

(6). Impact and response plan for corporate image change and risk management by corporate

The Company endeavors to fulfill its corporate responsibilities, and no events occurred this year that would significantly impact the corporate image. We will continue to strengthen communication and coordination with major stakeholders and prevent crisis events in the future.

(7). Profit estimation, potential risk and response measures for merger: N/A.

(8). Profit estimation, potential risk and response measures for plant expansion:

Regarding the expansion of the Phase II new plant of the original JIAXING NANXIONG, but due to the uncertainty of local policies over the past two years, the anticipated investment development project has been delayed, affecting the original investment plan. Recently, the feasibility assessment of overseas factory expansion has been reassessed to meet future requirements for third-party supply chain demands.

(9). Risk and response measures to concentration of purchases or sales

A. Evaluation of risk in concentration of sales

The Company's sales to the top 10 customers in 2025 and 2024 is 747,303 thousand and 824,745 thousand, which accounts for 30.75% and 30.90% in the annual income. In addition to establishing favorable and stable collaborative relationships with existing clients, the Company continuously expands its business horizons to mitigate the risks associated with sales concentration.

B. Evaluation of risk in concentration of purchase

The Company's import from the top 10 suppliers in 2025 and 2024 is 31.53% and 31.32% in the annual purchases. The proportion to one single supplier has not exceeded 10%. No risk in concentration of purchase exists.

(10). Impact, risk, and response measures of stock transfer, immense stock transfer, or change of directors, supervisors, or shareholders with a ratio over ten percent

The Company has no directors or shareholders whose shareholding ratio exceeds ten percent and whose immense equity transfers or is replaced.

(11). Impact, risk, and response measures to change of franchise: N/A.

(12). litigation or non-litigation. Please specify the Company and directors, supervisors, General Manager, substantial in-charge, shareholders of the Company whose shareholding ratio exceeds ten percent and the resolved or un-resolved material litigation, non-litigation or administrative dispute of the belonging company whose resolution will impact shareholder's rights or

securities price. Shall it be applicable, please disclose resolution details on the dispute, claim price, start date of litigation, major involved stakeholders in litigation hereof by end of closure date of annual report: N/A.

(13). Other important risks and response measures

Cyber risk evaluation and its response measures

A. Regarding the issue of document sequence gaps identified by the internal audit this year, the Company has taken immediate remedial actions. We have conducted a comprehensive review of operational permissions within the ERP and various systems, identifying and revoking unnecessary authorities to delete documents. Furthermore, internal training and communication have been reinforced to mandate that all data modifications must strictly adhere to the Data Change Operating Procedures and Information Change Specifications, with a strict prohibition on unauthorized data adjustments.

B. In view of the fact that the existing information security lead auditor certifications are based on the previous version, the Company has planned to designate appropriate personnel to participate in the ISO 27001:2022 Internal Auditor Transition Training. This initiative ensures that our internal audit staff possess the professional expertise and evaluative capabilities aligned with the latest international standards.

C. The core platform faces significant risks from aging equipment and resource depletion, with both memory and storage capacities reaching critical warning thresholds, resulting in the failure of high availability mechanisms. In the short term, the Company will implement data purging and regular off-site backups. For the medium to long term, we are evaluating partial system migration to the cloud alongside hardware replacement and upgrades.

7. Other important matters: N/A.

VI. Special Matters

1. **Affiliated businesses: Consolidated Businesses Report by Affiliated Companies, Consolidated Financial Statement by Affiliated Companies and Affiliation Report for the most recent year.**

   Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

2. **Private equity securities by recent year and closure date of annual report: N/A.**

3. **Other mentionable matters: N/A.**

4. **Occurrence associated with Securities Exchange Act. Art. 36 Item 3 Paragraph 2, any event which has a material impact on shareholders' rights and interests or securities prices, by recent year and closure date of annual report: N/A.**

NAM LIONG GLOBAL CORPORATION

Chairman: Shao, Ten-Po