Stock Code：6670

FuSheng Pecision Co., Ltd

2025
Annual Report
(Translation)

Market Observation Post System: http://mops.twse.com.tw
Compnay Website: https://www.fusheng-precision.com

Date: March 30, 2026

This English translation is prepared based on the Chinese original and is for reference purposes only. In the event of any inconsistency between the Chinese original and the English translation, the Chinese original shall prevail.

1. Names, Titles, and Cantact Information of the Spokesman and Deputy Spokesman:

Spokesman: Eric Hsu

Title: Chief Financial Officer

Phone: +886-3-363-5370

E-mail: investor_service@fusheng.com.tw

Deputy Spokesman: Eric Peng

Title: Operations Strategy Manager

Phone: +886-3-363-5370

E-mail: investor_service@fusheng.com.tw

2. Registered Address and Contact Information of the Company

Headquarter address: 3F, No. 172, Sec. 2 Nanjing E Rd., Zhongshan Dist. Taipei, Taiwan

Phone: +886-2-2507-2211

Plant address: No. 9, Xingzhong St., Taoyuan Dist., Taoyuan, Taiwan

Phone: +886-3-363-5370

Kaohsiung branch address: No. 2, E. 5th St., Nanzi Processing Export Zone, Nanzi Dist., Kaohsiung, Taiwan

Phone: +886-7-361-3141

3. Share Administration Agency

Name: Taishin Securities Stock Affairs Agency

Address: B1, No. 96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei, Taiwan

Website: http://stocktransfer.tssco.com.tw

Phone: +886-2-2504-8125

4. Independent Auditors

CPA: Chiao-Ying Chang / Tzu-Ping Huang

CPA Firm: Ernst & Young

Address: 9F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei, Taiwan

Website: http://www.ey.com.tw

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5. Exchanges in Foreign Countries and the Means for Inquiry of the Securities: None

6. Company Website: https://www.fusheng-precision.com

Contents

I. Letter to Shareholders

Dear Shareholders, Ladies and Gentlemen:

The past few years have brought meaningful change to the global golf industry. Post-pandemic, the global golf industry has seen a significant influx of new participants, particularly among younger demographics and women, driving market growth beyond pre-pandemic levels.. Although changes in U.S. trade and tariff policies in April 2025 briefly slowed customer ordering activity, underlyingmarket fundamentals remain robust, supported by a high level of player engagement and rounds played. At the same time, our Vietnam production base continued to strengthen our cost position and operational flexibility, helping us sustain steady growth. Together with contributions from our non-golf businesses, this enabled the Company to deliver its second-highest annual revenue on record in 2025.

In 2025, consolidated revenue reached NT$29.79 billion, up 5.01% from NT$28.37 billion in 2024. While delivering steady top-line growth, our gross margin moderated to 25.45%.This compression primarily reflects macroeconomic variables, including tariff escalations, currency volatility, and inflationary pressure on raw materials.. Net income attributable to owners of the parent was NT$3.121 billion, a decrease of 17.78% from the previous year. Growth was driven by higher order volumes and improved average selling prices across both golf and other sports products. However, profitability margins were affected by tariffs, increased input costs, and foreign exchange losses. Earnings per share for the year was NT$22.45, compared with NT$28.17 in 2024.

Looking ahead to 2026, we expect our core golf business to continue growing steadily, supported by solid demand and a healthy order pipeline. Our non-golf businesses are also gaining momentum, with existing subsidiaries securing new business and newly acquired companies beginning to contribute more meaningfully. At the same time, we remain mindful of potential challenges. Changes in U.S. policy and currency movements may continue to create uncertainty, and shifts in the broader macroeconomic environment could affect demand. Even so, we believe the Company is well prepared. Our strong fundamentals, disciplined financial management, and solid liquidity, together with our global footprint and operational flexibility, position us to navigate these conditions with confidence.

We remain committed to building a company defined by integrity and a strong drive for excellence. Alongside our core golf business, we continue to integrate ESG principles into how we operate and grow. We are also expanding into non-golf sectors—including sports assembly, aerospace, automotive, and hand tools—with a disciplined approach to capital allocation. Our strategic roadmap is unequivocal: to accelerate high-value diversificationwhile embedding ESG principles into our operational DNA, ensuring long-term resilience and sustainable shareholder returns.

Chairman: Liang-Chen Lee

1.1 Business Operation in 2025

1.1.1 Consolidated Financial Performance Highlights

Unit: NT$'000

Items	2024		2025		Change	
	Amount	(%)	Amount	(%)	Amount	(%)
Net sales	28,369,692	100.00	29,789,756	100.00	1,420,064	5.01
Cost of goods sold	(20,806,315)	(73.34)	(22,209,423)	(74.55)	1,403,108	6.74
Gross profit	7,563,377	26.66	7,580,333	25.45	16,956	0.22
Operating profit	4,657,934	16.42	4,632,131	15.55	(25,803)	(0.55)
Income before tax	5,142,744	18.13	4,443,750	14.92	(698,994)	(13.59)
Net income	3,795,669	13.38	3,121,390	10.48	(674,279)	(17.76)
EPS (NT$)	28.17		22.45		(5.72)	(20.31)

1.1.2 Budget implementation

The financial forecast is not disclosed for 2025, and thus this is not applicable.

1.1.3 Profitability analysis

Unit: NT$'000

Items		2024	2025	Change (%)
Financial Performance	Net sales	28,369,692	29,789,756	5.01
	Gross profit	7,563,377	7,580,333	0.22
	Net income	3,795,669	3,121,390	(17.76)
Profitability Analysis	Return on assets (%)	16.78	11.28	(32.76)
	Return on shareholders' equity (%)	26.06	17.64	(32.33)
	Pre-tax income to paid-in capital (%)	376.32	318.81	(15.28)
	Net margin (%)	13.38	10.48	(21.68)
	Basic after-tax EPS (NT$)	28.17	22.45	(20.28)

1.1.4 Research and Development Status

The Company continues to strengthen its R&D capabilities, with a focus on material innovation, process improvement, smart manufacturing, and sustainability. By leveraging its materials expertise alongside upstream engineering capabilities and ESG initiatives, it enhances product differentiation and deepens customer relationships, supporting long-term growth and competitiveness.

Driven by a culture of continuous innovation, the Company is investing in advanced technologies across a range of areas. Key initiatives include applying AI to advanced material engineering, advancing high-temperature thermoplastic carbon fiber forming, and expanding the use of metal 3D printing.

At the same time, the Company continues to make steady progress in smart manufacturing. This includes enhancements in production scheduling and shop-floor management, broader adoption of automated equipment, and the development of integrated digital systems. Together, these efforts support the Company's digital transformation, strengthen its ability to deliver higher value-added technical services, and improve operating efficiencywhile contributing to long-term shareholder value.

1.2 Business Plan Summary for 2026

1.2.1 Business Strategy

Guided by the philosophy of "seeking truth from facts and striving for excellence," the Company remains focused on its core operating priorities: quality, pricing, service, delivery, and technology. Looking ahead to 2026, the Company will continue to strengthen its global manufacturing footprint, expand the application of intelligent technologies, and further enhance its production processes. In addition, it will continue to advance new business initiatives to broaden and diversify its product portfolio.

1.2.2 Sales Plan and Key Production and Marketing Strategies

1. Customer Engagement: Maintain close relationships with key golf customers and further strengthen collaborative design and development capabilities.
2. Operational Efficiency: Apply lean manufacturing practices to improve first-pass yield and reduce defect and scrap rates.
3. Business Diversification: Expand the customer base in non-golf sectors to diversify revenue streams and profit sources.

1.3 Strategies for Future Growth

1. Material Development: Develop new materials to meet evolving customer needs and enhance product value and application range.
2. Process Improvement: Continue refining product development processes and strengthening production systems.
3. Automation: Expand the use of automation to improve productivity and operational efficiency.
4. Global Manufacturing: Strengthen the global manufacturing footprint to enhance the Company's competitive position.
5. Business Expansion: Accelerate the development of non-golf businesses to support revenue growth and broaden the product portfolio.
6. Talent Development: Strengthen recruitment, training, development, and retention to support the Company's long-term growth.
7. Digital Transformation: Establish an integrated management framework leveraging big data, artificial intelligence, and the Internet of Things to support data-driven decision-making.

1.4 Impact of External, Regulatory, and Macroeconomic Environments

While inventory levels across brand partners and distribution channels normalized in 2024, customer activity has gradually recovered, with new product launches and order placements returning to a more stable pace. The global golf market has expanded since the pandemic, and brand partners remain positive about the industry’s long-term outlook.

However, the operating environment remains complex. Geopolitical tensions, including ongoing conflicts in Eastern Europe and the Middle East, continue to create uncertainty in global supply chains. Following the U.S. presidential election, new tariff measures, ongoing U.S.-China trade tensions, and broader policy uncertainty, together with rising labor and raw material costs, have contributed to a challenging inflationary environment. These factors, along with broader macroeconomic downside risks, continue to present challenges.

In response, the Company maintains a solid operating foundation, a stable financial structure, and a healthy liquidity position. By leveraging its global manufacturing footprint and maintaining flexibility in resource allocation, the Company is well positioned to respond to changes in the external environment while continuing to meet customer needs.

In addition, evolving ESG-related regulations worldwide have further reinforced the Company’s commitment to sustainable operations. The Company continues to advance its ESG efforts in a more structured and integrated manner, with the goal of embedding sustainability into its core operations.

II. Corporate Governance Report

2.1 Profiles of the Directors and the Management Team

2.1.1 Profiles of the Directors and Supervisors

2.1.1.1 Information of the Directors and Supervisors

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Other officers, directors, or supervisors Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C.	Liang-Chen Lee (L.C. Lee)	Male 62	06.21, 2023	3	09.14. 2010	5,287,929	3.99	3,487,929	2.50	-	-	1,800,000	1.29	Tokyo International University Chairman and General Manager of FuSheng Industrial Co., Ltd.	(Note)	Director	Roger Chiang	Affiliate by Marriage	-
Director	R.O.C.	Ching-Sheng Chiang (Roger Chiang)	Male 68	06.21, 2023	3	09.14. 2010	1,407,430	1.06	1,407,430	1.01	2,335,230	1.68	-	-	Ming Chi Institute of Technology General Manager of Zhong Shan Worldmark Sporting Goods Ltd. General Manager of the Sport Division of Fusheng Industrial Co.,Ltd.	General Manager of FuSheng Precision Co., Ltd. Director of FuSheng Industrial Co., Ltd. Director of Fusheng Electronics Corporation Chairman of Zhong Shan Worldmark Sporting Goods Ltd. Director of Zhong Shan LongXing Precision Machinery Co., Ltd. Director of World Gate Holding Ltd. Chairman of NFT Technology Co., Ltd. Director of Minson Integration, Inc. Chairman of Proxene Tools Co., Ltd. Director of Aubo Precision (Hong Kong) Co., Limited	Chairman	L.C. Lee	Affiliate by Marriage	-

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Other officers, directors, or supervisors Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	R.O.C.	Lien Sheng Investment Co., Ltd.	-	06.21, 2023	3	09.15. 2017	3,352,343	2.53	3,352,343	2.41	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Wang-Ming Lee (Maxwell Lee)	Male 61				-	-	115,000	0.08	-	-	-	-	Department of Business Administration, Tamsui Oxford College Vice President of Zhong Shan Worldmark Sporting Goods Ltd.	Director and General Manager of Zhong Shan Worldmark Sporting Goods Ltd. EVP of FuSheng Precision Co., Ltd. Chairman of Zhong Shan LongXing Precision Machinery Co., Ltd. Director of World Gate Holding Ltd. Chairman of Alloy Seiko Industry Co., Ltd. Chairman of Alloy Seiko Technology (Jiangsu) Co.,Ltd.	-	-	-	-
Director	R.O.C.	TGVest Associates (One) Co., Ltd.	-	06.21, 2023	3	01.24, 2018	200,000	0.15	232,000	0.17	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Duen-Chian Cheng	Male 64				-	-	-	-	-	-	-	-	MBA, Columbia University Bachelor of Business Administration, National Taiwan University General Manager of UMC Capital Director and General Manager of United Management Consultancy Investment Co., Ltd. Executive Director and General Manager of Taiwan of Morgan Stanley Asia Limited Executive Director of Goldman Sachs Asia L.L.C..	Chairman of TGVest Capital Inc. Chairman of TriKnight Capital Corporation Independent Director of ASIA POLYMER CORPORATION Independent Director of Elite Material Co., Ltd Director of Advanced Energy Solution Holding Co., Ltd. Director of AcSiP Technology Corp Independent Director of Sunway Biotech Co., Ltd.	-	-	-	-

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Other officers, directors, or supervisors Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation ship	
Independent Director	R.O.C.	Victor Wei-Chi Liu (Victor Liu)	Male 74	06.21, 2023	3	01.24. 2018	-	-	-	-	-	-	-	-	Ph. D of Business Administration, Northwestern University Principal of National Sun Yat-sen University Chairman of International Commercial Bank of China Chairman of Taiwan High Speed Rail Corporation Chairman of IBF Financial Holdings	Principal of Chung Hua University Independent Director of AN-SHIN FOOD SERVICES CO.,LTD. Director of Airiti Inc.	-	-	-	-
Independent Director	R.O.C.	Chi-Tzu Kao (Michael Kao)	Male 66	06.21, 2023	3	01.24. 2018	-	-	-	-	-	-	-	-	Ph.D of Chemistry, University of California Berkeley Division Master of Business Administration, National Taiwan University Bachelor of the Department of Chemistry, National Taiwan University Co-founder, EVP, General Manager and Vice Chairman of ITEQ Corporation Chairman of IMAT Corporation	President of Taiwan ITRI New Venture Association Independent Director of INPAQ Technology Co., Ltd. Independent Director of Ta Liang Technology Co., Ltd Director of IMAT CORPORATION Director of Sheng Mao Investment Co., Ltd. Director of i-Bot Technology Inc. Chairman of Ren Mao Technology Management Consulting Co., Ltd Director of Orangeapple Co. Supervisor of Astron Materials Corporation Director of Grandway Wonice Technology Inc. Supervisor of De Mao Investment Co., Ltd. Chairman of Taiwan BASE Tech Venture Corporation	-	-	-	-

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Other officers, directors, or supervisors Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation ship	
Independent Director	R.O.C.	Chih-Kang Chen (C.K. Chen)	Male 60	06.21, 2023	3	01.24. 2018	-	-	-	-	-	-	-	-	Bachelor of the Department of Accounting, National Cheng Kung University Director and General Manager of WUS Printed Circuit Co., Ltd.	Director and General Manager of WUS Printed Circuit Co., Ltd. Chairman of WUS Group Holdings Co., Ltd. Chairman of WUS Group (BVI) Holdings Co., Ltd. Chairman and General Manager of Sustainable Investment Co., Ltd. Chairman and General Manager of WUS Printed Circuit (Singapore) Pte. Ltd. Director of China Electronic (BVI) Holdings Co., Ltd. Director of Centron Electronics (Kunshan) Co., Ltd.	-	-	-	-

Note: Chairman of Fu Sheng Industrial Co., Ltd., Chairman of Fusheng Electronics Corporation, Director of Fusheng Industrial (Shanghai) Co., Ltd, Director of Well Base International Limited, Director of Caysheng Holding Co., Ltd, Director of High Honour Limited, Director of Earnest Pacific Limited, Director of FS－ELLIOTT MACHINRY CO., Ltd, Director of Fu Sheng USA, Inc. , Director of Curtis－Toledo Inc. , Inc, Director of California Air Compressor Company, Director of ALMiG USA CORPORATION, Director of Curtis－Toledo Distribution Inc. , Director of FS－America Inc. , Director of Valiant APO Holding Ltd. , Director of Valiant APO Holding II Ltd., Director of Valiant APO Holding III Ltd. , Director of FS－Elliott Co., LLC. , Legal Representative of Vision International Co., Ltd. , Director of World Gate Holding Ltd., Chairman of Zhi Sheng Investment Co., Ltd.

2.1.1.2 Major shareholders of the institutional shareholders:

03.29.2026

Name of Institutional Shareholders	Major Shareholders
Lien Sheng Investment Co., Ltd.	L.C. Lee 16.69%, Hsiu-Chuan Lee 15.65%, Meng-Feng Lee 14.24%, Wei-Chen Lee 13.86%, Yen-Te Lee 7.08%, Po-I Lee 5.63%, Ying-Tsun Lee 3.22%, Ting-Yi Lee 3.21%, Yueh-Hsun Lee 3.22%, Yi-Chen Lee 2.98%
TGVest Associates (One) Co., Ltd.	Duen-Chian Cheng 43.10%, Claire Lai 35.29%, Isabel Liu 7.88%, YK Yu 7.84%

2.1.1.3 Major shareholders of the Company's major institutional shareholders: None.

2.1.1.4 Information disclosure of Director qualifications and independence of independent directors

Qualifications / Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
L.C. Lee	Mr. Lee serves as Chairman of Fusheng Precision, also Chairman of Fusheng Industrial and Fusheng Electronics, familiar with the branding and ODM/OEM operations for industrial product, electronic component and sports equipment. In addition to owning experiences in working with PE fund to complete spin-off in corporate restructuring, he has orchestrated several cross-border M&A deals and multinational JVs in the United States, Europe and Japan. Mr. Lee successfully led Fusheng Precision to go listed in Taiwan Stock Market in 2017.	—	0
Roger Chiang	Mr. Chiang serves as CEO of Fusheng Precision, with more than 30 years of experience in the sporting goods OEM industry. He has displayed good performance in financial results, manufacturing management and R&D achievements, since taking over the position in 2009. In recent years, he has actively and cautiously expanded business scope through strategic investment, strategic expansion into high-value non-golf sports equipment and aerospace component industry.	—	0
Maxwell Lee	Mr. Lee serves as COO of Fusheng Precision, also the leader of China Plant which is the largest production site in our global manufacturing map. He has gone through multiple departments within the company, accumulating more than 30 years of experience in golf club head manufacturing process, quite familiar with the management system of complex processes and lean production.	—	0

Qualifications / Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Duen-Chian Cheng	Mr. Cheng is Chairman of TGVest Capital, a well-known PE fund in Asia, also acting as Director of several listed companies in Taiwan. Being CEO of UMC Capital, he demonstrated successful investment records in the United States, China, Japan and Taiwan. He used to be Executive Director of Morgan Stanley Asia Pacific and GM of Taiwan Branch, with more than 20 years of investment banker experience, well-connected in many industries. Mr. Cheng holds an MBA degree from Columbia University.	—	3
Victor Liu (Independent Director)	Mr. Liu is Principal of Chung Hwa University. He used to serve as several important posts, including Principal of National Sun Yat-Sen University, Chairman of Taiwan High Speed Rail and Chairman of IBF Financial Holdings. Currently, he acts as Independent Director of a couple of listed companies. He enjoys good reputation in the fields of industry, government and academia. Mr. Liu holds a Ph.D. in Business Administration from Northwestern University. None of the provisions of Article 30 of the Company Law is applied.	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied.	1
Michael Kao (Independent Director)	Mr. Kao is Chairman of Taiwan Industrial Research and Innovation Association, which is recognized as an incubator and an angel investor for new start-ups. He was also a co-founder of ITEQ, an electronic component company listed in Taiwan (code: 6213). He committed himself to facilitating Silicon Valley’s experiences shared with Taiwanese entrepreneurs. Mr. Kao holds a Ph.D. in Chemistry from University of California, Berkeley. None of the provisions of Article 30 of the Company Law is applied.	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied.	2
C.K. Chen (Independent Director)	Mr. Chen is CEO, used to be CFO, of Wus Printed Circuit, an electronic component company listed in Taiwan (code: 2316). In addition to familiarity with the business development and manufacturing management, he also owns CPA license, skilled at finance and accounting practices, as well as tax planning and regulation compliance. Mr. Chen holds a bachelor degree from National Cheng Kung University. None of the provisions of Article 30 of the Company Law is applied.	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied.	0

2.1.1.5 Board Diversification and Independence

(1) Board Diversity Policy:

In accordance with the Company's Corporate Governance Best Practice Principles, the composition of the Board takes diversity into consideration. The Company has established a diversity policy based on its operations, business model, and development needs, focusing on the following two key aspects:

1. Basic Attributes and Values: These include gender, age, nationality, and cultural background. The Company seeks to promote gender balance, with a target for female directors to comprise at least one-third of the Board.
2. Professional Expertise and Skills: The Board includes members with diverse professional backgrounds, such as law, accounting, industry, finance, marketing, and technology, as well as relevant industry experience.

Directors are expected to possess the knowledge and skills necessary to perform their duties. To support effective corporate governance, the Board as a whole demonstrates the following capabilities:

1. Operational judgment
2. Financial and accounting analysis
3. Business management
4. Crisis management
5. Industry knowledge
6. Global market perspective
7. Leadership
8. Decision-making.

The Company has established specific targets for Board diversity, as outlined below:

Objective	Status
Independent directors represent more than one-third of the Board	Achieved
Directors concurrently serving as Company executives do not exceed one-third of the Board	Achieved
No more than two directors have spousal or family relationships within the second degree of kinship	Achieved
Independent directors have not served more than three consecutive terms	Achieved
The Board maintains a diverse range of professional expertise and skills	Achieved

The Board includes one director aged 56–60, three aged 61–65, two aged 66–70, and one aged 71–75, reflecting a balanced mix of age groups that supports intergenerational perspectives.

All seven directors have experience in industry operations and management (100%). In addition, three directors have R&D and technical backgrounds (42.9%), and three have accounting and financial backgrounds (42.9%).

The Company has long emphasized gender diversity in Board composition. As an initial step, it aims to include at least one director of a different gender. Currently, all seven Board members are male, and there are no female directors. However, the Company nominated one female candidate in the most recent Board election. Over the long term, the Company's goal is for directors of different genders to represent at least one-third of the Board, in order to further enhance Board diversity.

Explanation and Measures Where Either Gender Represents Less Than One-third of the Board:

1. Explanation: The Company's seven-member Board was elected at the Shareholders' Meeting on June 21, 2023. There are currently no female directors, primarily due to the specialized nature of the industry, which makes it difficult to identify suitable candidates within a short period of time.
2. Measures:
   (1) To enhance gender diversity, the Company identified and engaged with several qualified female candidates prior to the 2026 Board election. However, due to various considerations, only one female candidate was nominated for the current election, representing an initial step toward improving Board diversity.
   (2) The Company has established a long-term target for either gender to represent at least one-third of the Board. Going forward, it will continue to broaden its recruitment channels, including professional networks and industry recommendations, to increase female representation, enhance corporate governance, and further implement its Board diversity policy.

The Company's implementation of the Board diversity policy is described as follows:

Type	Name	Basic requirements and values					Professional knowledge and skills				
		Gender	Age	Nationality	Concurrent Executive Role	Years of Service as Independent Director	Industry	R&D	Business Administration	Risk Management	Finance and Accounting
Director	L.C. Lee	Male	61~65	R.O.C.	—	—	V	V	V	V	
Director	Roger Chiang	Male	66~70	R.O.C.	V	—	V	V	V	V	
Director	Lien Sheng Investment Co., Ltd. Representative: Maxwell Lee	Male	61~65	R.O.C.	V	—	V		V	V	
Director	TGVest Associates (One) Co., Ltd. Representative: Duen-Chian Cheng	Male	61~65	R.O.C.	—	—	V		V	V	V
Independent Director	Victor Liu	Male	71~75	R.O.C.	—	3-9	V		V	V	V
Independent Director	Michael Kao	Male	66~70	R.O.C.	—	3-9	V	V	V	V	
Independent Director	C.K. Chen	Male	55~60	R.O.C.	—	3-9	V		V	V	V

(2) Independence of the board：

All independent directors were initially elected on January 24, 2018, and have served for approximately 8 to 9 years. None has served more than three consecutive terms. The Board consists of seven directors, including three independent directors, representing 42.9% of the Board. The Company confirms that all independent directors have met the independence requirements set forth in applicable regulations during the two years prior to their appointment and throughout their tenure. Two directors currently serve concurrently as Company executives, representing 28.6% of the Board. To maintain sound corporate governance, any director who has a conflict of interest in a proposal does not participate in the discussion or voting on that matter and is required to recuse himself or herself. In such cases, directors are not permitted to exercise voting rights on behalf of other directors.

2.1.2 Profile of the Management Team

03.29.2026

Title	Nationality	Name	Gender	Assumed Office Date	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Executive Officer	R.O.C.	Roger Chiang	Male	9.14.2010	1,407,430	1.01	2,335,230	1.68	—	—	Ming Chi Institute of Technology General Manager of Zhong Shan Worldmark Sporting Goods Ltd. General Manager of the Sport Division of Fusheng Industrial Co.,Ltd.	Chairman of Zhong Shan Worldmark Sporting Goods Ltd. Director of Zhong Shan LongXing Precision Director of World Gate Holding Ltd. Director of Fu Sheng Industrial Co., Ltd. Director of FS-Precision Tech Co., LLC General Manage of FuSheng Precision Co., Ltd. Director of Fusheng Electronics Corporation Chairman of NFT Technology Co., Ltd. Director of Minson Integration, Inc. Director of Aubo Precision (Hong Kong) Co., Limited Chairman of Proxene Tools Co., Ltd.	-	-	-	-
Executive Vice President	R.O.C.	Maxwell Lee	Male	9.14.2010	115,000	0.08	—	—	—	—	Department of Business Administration, Tamsui Oxford College Vice President of Zhong Shan Worldmark Sporting Goods Ltd.	Director and General Manager of Zhong Shan Worldmark Sporting Goods Ltd. EVP of FuSheng Precision Co., Ltd. Chairman of Zhong Shan LongXing Precision Machinery Co., Ltd. Director of World Gate Holding Ltd. Chairman of Alloy Seiko Industry Co., Ltd. Chairman of Alloy Seiko Technology (Jiangsu) Co.,Ltd.	-	-	-	-
Senior Vice President	R.O.C.	Kevin Lin	Male	9.14.2010	30,000	0.02	—	—	—	—	The Department of Mechanical Engineering, Nan-Tai Institute of Technology Senior Director of the Sport Division of FuSheng Industrial Co., Ltd.	-	-	-	-	-
Senior Vice President	R.O.C.	Alice Tseng	Female	9.14.2010	85,000	0.06	8,000	0.01	—	—	Executive Master of Business Administration, National Central University Senior Director of the Sport Division of FuSheng Industrial Co., Ltd.	Director of Minson Integration, Inc.	-	-	-	-
Chief Financial Officer	R.O.C.	Eric Hsu	Male	9.14.2010	93,000	0.07	—	—	—	—	Bachelor of the Department of Finance, National Taiwan University Master of the Department of Business Administration, National Cheng Kung University Project Manager of the Executive Office of Universal Scientific Industrial Co., Ltd. Vice President of WI Harper Group	Supervisor of Fu Sheng Industrial Co., Ltd. Chairman of Zhong Shan Aubo Precision Technology Co., Ltd. Director of Zhong Shan Worldmark Sporting Goods Ltd. Supervisor of NFT Technology CO., Ltd. Chairman of Crosspace Co., Ltd. Supervisor of Minson Integration, Inc. Director of Proxene Tools Co., Ltd.	-	-	-	-
Assistant Vice President	R.O.C.	Chi-Ching Chen	Male	9.14.2010	41,000	0.03	—	—	—	—	The Department of Mechanical Engineering, Ta-Hwa Institute of Technology Senior Manager of the Sport Division of FuSheng Industrial Co., Ltd. Senior Director of FuSheng Precision Co., Ltd.	-	-	-	-	-

Title	Nationality	Name	Gender	Assumed Office Date	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Assistant Vice President	R.O.C.	John Yen	Male	11.01.2017	—	—	—	—	—	—	Bachelor of the Department of Industrial and Systems Engineering, Chung Yuan University Senior Manager of Vision International Co., Ltd	-	-	-	-	-
Assistant Vice President	R.O.C.	Greg Chien	Male	11.01.2017 (Separation Date: 07.18.2025)	2,000	0.00	—	—	—	—	Bachelor of the Department of Mechanical Engineering, Chung-Hsing University Senior Manager of FuSheng Precision Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	Steave Lee	Male	11.01.2017 (Separation Date: 01.01.2026)	19,000	0.01	—	—	—	—	Bachelor of the Department of Mechanical Engineering, Chien Hsin Institute of Technology Senior Manager of FuSheng Precision Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	Frankie Chin	Male	05.01.2020	—	—	—	—	—	—	Bachelor of the Department of Information Management, National Sun Yat-sen University Assistant Vice President of FuSheng Precision Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	WenJui Yu	Male	11.01.2020 (Separation Date: 09.01.2025)	—	—	—	—	—	—	Bachelor of the Department of Industrial Engineering and System Management, Feng Chia University Assistant Vice President of FuSheng Precision Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	Benson Liao	Male	01.01.2024 (Separation Date: 05.31.2025)	80	0.00	—	—	—	—	Bachelor of the Department of Japanese, National Kaohsiung University of Science and Technology Director of Procurement Department of BenQ Materials Corp. Director of Sales Department of BenQ Materials Corp.	-	-	-	-	-
Assistant Vice President	R.O.C.	Jessica Tsai	Female	08.16.2023 (Separation Date: 02.15.2025	—	—	—	—	—	—	Bachelor of Computer Science Department of Ming Chuan College Assistant Vice President of FuSheng Precision Co., Ltd.	-	-	-	-	-
Assistant Vice President	R.O.C.	Chris Wu	Male	03.03.2025	—	—	—	—	—	—	Master of Science in Chemical Engineering, Yuan Ze University Director of Materials Management and Logistics Division, BenQ Materials Corporation	-	-	-	-	-
Accounting Supervisor/ Chief Governance Officer	R.O.C.	Chris Chen	Male	05.12.2021 11.09.2023	7,000	0.01	—	—	—	—	Bachelor of the Department of Accounting, National ChengChi University Special Assistant of Accounting Department, FuSheng Precision Co., Ltd.	-	-	-	-	-
Audit Supervisor	R.O.C.	Andy Hsiao	Male	01.26.2024	—	—	—	—	—	—	Executive MBA in Industrial Engineering and Management, National Taipei University of Technology Audit Supervisor of Hanns Touch Co.,Ltd. Audit Supervisor of TAITA CHEMICAL Co., Ltd. Audit Supervisor of JOINSOON ELECTRONICS MFG. Co.,Ltd. Audit Supervisor of SCANTEAK Co.,Ltd.	-	-	-	-	-

2.2 Remuneration Paid to Directors, the General Manager, and Deputy General Managers for the Most Recent Year (2025)

2.2.1 Remuneration Paid to Directors and Independent Directors

2.2.1.1. Compensation Paid to Directors and Independent Directors in the most recent year

Unit: NT$'000; thousand shares

Title	Name (Note1)	Director's Remuneration								Total Amount of (A+B+C+D) and as a % of Net Income		Compensation Earned by a Director Who is an Employee of FSP or of FSP's Consolidated Entities								Total Amount of (A+B+C+D+E+F+G) and as a % of Net Income (Note 10)		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company (Note 11)
		Base Compensation (A) (Note 2)		Severance Pay and Pension (B)		Compensation to Director (C) (Note 3)		Allowances (D) (Note4)				Base Compensation, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pensions (F)		Employees' Profit Sharing Bonus (G) (Note 6)						
		From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP	From All Consolidated Entities (Note7)	From FSP		From All Consolidated Entities (Note7)		From FSP	From All Consolidated Entities (Note7)	
																Cash	Stock	Cash	Stock			
Chairman	L.C. Lee	0	0	0	0	1,500	1,892	0	0	1,500 0.05	1,892 0.05	21,457	22,509	0	0	10,598	0	10,598	0	33,555 1.08	34,999 1.02	-
Director	Roger Chiang																					
Director	Lien Sheng Investment Co., Ltd. Representative: Maxwell Lee																					
Director	TGVest Associates (One) Co., Ltd. Representative: Duen-Chian Cheng																					
Independent Director	Victor Liu	6,000	6,000	0	0	0	0	0	0	6,000 0.19	6,000 0.17	0	0	0	0	0	0	0	0	6,000 0.19	6,000 0.17	-
Independent Director	Michael Kao																					
Independent Director	C.K. Chen																					

1. Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks, and time spent:
   The remuneration policy for independent directors is as follows:
   (1) No travel allowances or attendance fees are provided.
   (2) Directors' Remuneration: The Company's Articles of Incorporation stipulate that total directors' remuneration shall not exceed 0.5% of annual profits. Independent directors currently receive fixed compensation, and no additional remuneration is provided when the Company is profitable.
2. Except as disclosed in the table above, remuneration received by directors for providing services (such as serving as non-employee consultants to the parent company, companies included in the financial statements, or investee companies) in the most recent year: None.

Range of remuneration paid to Board of Directors	Director's Remuneration(A+B+C+D)			
	Director's Remuneration(A+B+C+D)		Director's Remuneration(A+B+C+D+E+F+G)	
	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities
Less than NT$ 1,000,000	L.C. Lee, Roger Chiang, Maxwell Lee Duen-Chian Cheng	L.C. Lee, Roger Chiang, Maxwell Lee Duen-Chian Cheng	L.C. Lee, Duen-Chian Cheng	L.C. Lee, Duen-Chian Cheng
NT$ 1,000,000 (inclusive)～NT$ 2,000,000 (exclusive)	C.K. Chen, Michael Kao	C.K. Chen, Michael Kao	C.K. Chen, Michael Kao	C.K. Chen, Michael Kao
NT$ 2,000,000 (inclusive)～NT$ 3,500,000 (exclusive)	Victor Liu	Victor Liu	Victor Liu	Victor Liu
NT$ 3,500,000 (inclusive)～NT$ 5,000,000 (exclusive)				
NT$ 5,000,000 (inclusive)～NT$ 10,000,000 (exclusive)				
NT$ 10,000,000 (inclusive)～NT$ 15,000,000 (exclusive)			Maxwell Lee	Maxwell Lee
NT$ 15,000,000 (inclusive)～NT$ 30,000,000 (exclusive)			Roger Chiang	Roger Chiang
NT$ 30,000,000 (inclusive)～NT$ 50,000,000 (exclusive)				
NT$ 50,000,000 (inclusive)～NT$ 100,000,000 (exclusive)				
NT$ 100,000,000 and more				
Total	7	7	7	7

Note 1: The names of directors should be listed separately (corporate shareholders should list the names of corporate shareholders and their representatives separately), and the amount of each benefit should be disclosed in aggregate by listing the general and independent directors separately.

Note 2: Compensation to directors for the most recent year (including salaries, bonuses, severance payments, bonuses, incentives, etc.).

Note 3: The amount of directors' remuneration approved by the Board of Directors for the most recent year is rounded up to the nearest thousand dollars.

Note 4: The related business expenses of directors (including travel expenses, special expenses, various allowances, dormitories, cars, and other in-kind expenses, etc.) for the most recent year. If the Company provides housing, automobiles and other means of transportation or personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market value of the rent, gasoline, and other benefits. If there is a driver, please note that the company pays the driver, but does not include him/her in the calculation of remuneration.

Note 5: This refers to the salary, salary increment, severance pay, various bonuses, incentives, travel expenses, special expenses, various allowances, dormitory, car, and other in-kind benefits received by the directors and employees (including the president, vice president, other managers, and employees) in the most recent year. If the Company provides housing, automobiles, other transportation, or personal expenses, the Company should disclose the nature and cost of the assets provided, the actual or fair market value of rent, gasoline, and other benefits. If there is a driver, please note that the Company pays the driver, but does not include him/her in the calculation of remuneration. Salary expenses recognized under IFRS 2, “Share-based Payment,” including the acquisition of employee stock option certificates, new shares with restricted employee rights, and participation in cash capital increase, should also be included in the calculation of remuneration.

Note 6: The amount of employee compensation (including stock and cash) received by directors and employees (including general manager, vice president, other managers, and employees) in recent years should be disclosed, and the amount of employee compensation approved by the board of directors in recent years should be disclosed, or the amount to be distributed this year should be calculated based on the proportion of last year's actual amount if the amount could not be estimated.

Note 7: The total amount of each remuneration paid to the directors of the Company by all companies (including the Company) included in the consolidated financial statements should be disclosed.

Note 8: The total amount of each remuneration paid to each director of the Company should be disclosed by the name of the director in the hierarchical hierarchy.

Note 9: The total amount of each remuneration paid to each director of the Company by all companies (including the Company) in the consolidated financial statements should be disclosed, and the names of the directors should be disclosed in the hierarchical levels in which they are categorized.

Note 10: Net income after tax refers to the net income after tax for the most recent year reported by the Company as a whole or as a separate entity.

Note 11: a. This column should specify the amount of directors' remuneration from investees other than subsidiaries or the parent company (if none, please fill in “None”).

b. If a director of the Company receives remuneration from a non-subsidiary investee or the Parent Company, the amount of remuneration received by the director of the Company from a non-subsidiary investee or the Parent Company should be incorporated into Column I of the Remuneration Table, and the name of the Column should be changed to “Parent Company and All Investees.

c. Compensation refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and business execution expenses received by the directors of the Company in their capacity as directors, supervisors, or managers of the subsidiaries other than the Company's subsidiaries or the Parent Company.

The disclosure of remuneration in this table is different from the concept of income under the Income Tax Act. Therefore, the purpose of this table is for informational purposes only and is not intended for tax purposes.

2.2.2 Compensation Paid to the General Manager and Deputy General Managers (2025):

2.2.2.1 General Manager and Deputy General Managers Compensation

Unit: NT$'000; thousand shares

Title	Name (Note1)	Salary (A) (Note2)		Severance Pay and Pensions (B)		Bonuses and Allowances (C) (Note3)		Employees' Profit Sharing Bonus(D) (Note 4)				Total Amount of (A+B+C+D) and as a % of Net Income (%) (Note 6)		Compensation Received from Non-consolidated Affiliates or Parent Company (Note 7)
		From FSP	From All Consolidated Entities (Note 5)	From FSP	From All Consolidated Entities （Note 5）	From FSP	From All Consolidated Entities (Note 5)	From FSP		From All Consolidated Entities (Note 5)		From FSP	From All Consolidated Entities (Note 5)	
								Cash	Stock	Cash	Stock			
Chief Executive Officer	Roger Chiang	19,730	20,781	0	0	23,556	24,491	17,898	0	17,898	0	61,184 1.96	63,170 1.83	-
Executive Vice President	Maxwell Lee													
Vice President	Kevin Lin													
Vice President	Alice Tseng													
Chief Financial Officer	Eric Hsu													

Note 1: The names of the general manager and vice president should be listed separately, and the amount of each benefit should be disclosed in an aggregate manner.

Note 2: Salaries, salary increments, and severance payments for the President and Vice President for the most recent year.

Note 3: The amounts of bonuses, incentives, travel expenses, special expenses, allowances, dormitories, cars, and other compensation to the president and vice presidents in recent years are shown. If the Company provides housing, automobiles and other means of transportation or personal expenses, the Company should disclose the nature and cost of the assets provided, the actual or fair market value of the rent, gasoline and other benefits. If there is a driver, a note should be included to indicate the compensation paid by the Company to the driver, but not included in the calculation of remuneration. Salary expenses recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights, and participation in cash capital increase, etc., should also be included in the calculation of remuneration.

Note 4: The amount of employees' compensation (including stock and cash, and if the amount cannot be estimated, the amount of this year's proposed distribution should be calculated based on the proportion of last year's actual distribution amount) approved by the Board of Directors for the most recent year's distribution to the President and Vice President.

Note 5: The total amount of compensation paid to the Company's president and vice president by all companies (including the Company) in the consolidated financial statements should be disclosed.

Note 6: Net income after income tax refers to the net income after income tax of the most recent financial statements of individual companies or individual financial reports.

Note 7: a. This column should specify the amount of remuneration received by the Company's general manager and deputy general manager from investees other than subsidiaries or from the parent company (if not, please fill in "Nil"). b. The amount of remuneration received by the Company's general manager and deputy general manager from investees other than subsidiaries or from the parent company should be indicated in this column.

b. If the Company's General Manager and Deputy General Manager receive remuneration from a non-subsidiary investee or the Parent Company, the amount of remuneration received by the General Manager and Deputy General Manager from a non-subsidiary investee or the Parent Company should be incorporated into Column E of the Remuneration Table, and the name of the column should be changed to "Parent Company and All Investees.

c. Compensation refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and business execution expenses, etc., received by the Company's president and vice president for their positions as directors, supervisors, or managers of the investees or parent companies other than subsidiaries.

Since the disclosure of compensation in this table is different from the concept of income under the Income Tax Act, the purpose of this table is for informational purposes only and is not intended for tax purposes.

Range of remuneration paid to CEO, General Manager and Vice President of the Company	Name of General Manager/ Vice General Manager	
	From FSP (Note1)	From All Consolidated Entities (Note 2)
Less than NT$ 1,000,000		
NT$ 1,000,000 (inclusive)～NT$ 2,000,000 (exclusive)		
NT$ 2,000,000 (inclusive)～NT$ 3,500,000 (exclusive)		
NT$ 3,500,000 (inclusive)～NT$ 5,000,000 (exclusive)		
NT$ 5,000,000 (inclusive)～NT$ 10,000,000 (exclusive)	Kevin Lin, Alice Tseng	Kevin Lin, Alice Tseng
NT$ 10,000,000 (inclusive)～NT$ 15,000,000 (exclusive)	Eric Hsu, Maxwell Lee	Eric Hsu, Maxwell Lee
NT$ 15,000,000 (inclusive)～NT$ 30,000,000 (exclusive)	Roger Chiang	Roger Chiang
NT$ 30,000,000 (inclusive)～NT$ 50,000,000 (exclusive)		
NT$ 50,000,000 (inclusive)～NT$ 100,000,000 (exclusive)		
NT$ 100,000,000 and more		
Total	5	5

Note 1:The total amount of each remuneration paid to each general manager and deputy general manager of the Company is disclosed in the attributed level of the general manager and deputy general manager.

Note 2:The total amount of each remuneration paid to each general manager and deputy general manager of the Company by all companies (including the Company) in the consolidated report is disclosed, and the names of the general managers and deputy general managers are disclosed in the hierarchical hierarchy to which they belong.

2.2.2.2 Employees' Profit Sharing Bonus Paid to the Management Team (2025)

Unit: NT$'000

Title	Name	Stock (Fair Market Value)	Cash	Total	Total Employees' Profit Sharing Bonus Paid to Management Team as a % of Net Income
Chief Executive Officer	Roger Chiang	0	23,246	23,246	0.74
Executive Vice President	Maxwell Lee				
Senior Vice President	Kevin Lin				
Senior Vice President	Alice Tseng				
Chief Financial Officer	Eric Hsu				
Vice President	Chi-Ching Chen				
Assistant Vice President	John Yen				
Assistant Vice President	Chris Wu				
Assistant Vice President	Steave Lee				
Assistant Vice President	Frankie Chin				
Assistant Vice President	WenJui Yu				
Accounting Supervisor	Chris Chen				

2.2.2.3 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors and the management team, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(1)Ratio of Total Compensation Paid to Directors, the General Manager, and Deputy General Managers to Net Income After Tax for the Most Recent Two Years

Unit: NT$'000; %

Title	2024				2025			
	Amount		%		Amount		%	
	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities	From FSP	From All Consolidated Entities
Directors and Independent Directors	7,500	7,700	0.20	0.19	7,500	7,892	0.24	0.23
CEO/EVP/GM/SVP	49,487	50,938	1.30	1.25	61,184	63,170	1.96	1.83

Note: Directors' compensation excludes any salaries and benefits received by directors in their capacity as Company executives.

(2) Remuneration Policies, Standards, Structure, and Determination Procedures, and Their Linkage to Operating Performance and Future Risks:

a. Directors and Independent Directors:

In accordance with the Company's Articles of Incorporation, no less than 2% of the Company's annual profits is allocated as employee compensation (including no less than 0.36% for non-management employees), and no more than 0.5% is allocated as directors' compensation. If the Company has accumulated losses, such losses must be offset before any allocation of employee or directors' compensation is made.

Directors' compensation is determined with reference to the Company's operating performance, future risks, development strategy, and industry trends, and also takes into account the results of annual individual performance evaluations. Such compensation is subject to review and approval by the Remuneration Committee and the Board. Independent directors currently receive fixed compensation and are not entitled to additional compensation based on the Company's profitability.

The evaluation of individual director performance includes the following criteria:

(a) Alignment with the Company's goals and objectives
(b) Fulfillment of directors' duties and responsibilities
(c) Level of participation in the Company's operations
(d) Internal communication and coordination
(e) Professional expertise and continuing education
(f) Internal control

b. Management (Including Senior Executives):

Compensation for the management team consists of base salaries and employee compensation. Base salaries are determined with reference to industry benchmarks and factors such as position, seniority, professional qualifications, and scope of responsibilities. Employee compensation is based on the performance of the business units under each manager's supervision and includes financial performance metrics, non-financial indicators, and ESG-related measures. Compensation is adjusted based on the Company's overall performance and an assessment of future risks. All management compensation is subject to review and approval by the Remuneration Committee and the Board prior to distribution.

The evaluation criteria are outlined as follows:

Evaluation Criteria	Weighting	Key Performance Items (Tailored to Individual Responsibilities)
Operational Performance Indicators (KPIs)	85%~100%	Including achievement rates for business group revenue and gross profit, cost target attainment, scrap rates, new hire retention, and overall unit performance.
Non-Financial Metrics		Including any material deficiencies in legal compliance and operational risk management.
ESG Sustainability Indicators	0% –15%	Key areas: energy efficiency, carbon emissions, cybersecurity, DEI (Diversity, Equity, and Inclusion), and governance transparency.

Note: Specific weights are tailored to each manager's scope of responsibilities and may vary accordingly.

The Company links remuneration for directors and executives directly to comprehensive operating performance. Beyond financial results, our compensation structure integrates non-financial milestones and ESG targets, while factoring in potential industry volatility and risk assessments. This ensures that major management decisions—grounded in rigorous risk evaluation—are reflected in the Company's bottom-line profitability, effectively aligning executive rewards with risk management outcomes. Furthermore, by embedding ESG performance into our pay framework, we incentivize leadership to drive continuous progress in environmental stewardship, social responsibility, and corporate governance.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors Meeting Status

FSP's Board of Directors had 9 regular meetings in 2025.

The directors' attendance status is as follows：

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Chairman	L.C. Lee	9	-	100	Required attendance in 2025: 9
Director	Roger Chiang	9	-	100	Required attendance in 2025: 9
Director	Lien Sheng Investment Co., Ltd. Representative: Maxwell Lee	9	-	100	Required attendance in 2025: 9
Director	TGVest Associates (One) Co., Ltd. Representative: Duen-Chian Cheng	9	-	100	Required attendance in 2025: 9
Independent Director	Victor Liu	9	-	100	Required attendance in 2025: 9
Independent Director	Michael Kao	9	-	100	Required attendance in 2025: 9
Independent Director	C.K. Chen	8	1	88.89	Required attendance in 2025: 9

Other Matters to be Recorded:

1. For any of the following situation during the operation of the Board, the date of meeting of the Board, terms, description of proposal, all the independent directors' opinions and the treatment of such opinions shall be specified:
   1.1 Issues specified in Article 14-3, Securities and Exchange Act: Refer to Note.
   1.2 Other than the abovementioned issues, the matters to be resolved in the meetings of the Board with dissents or qualified opinions, which are recorded or in writing: None.
2. For the recusal of directors to the proposals with interest conflicts, the name of directors, description of proposal, reason of recusal, and the status of voting participation shall be specified:
   2.1 At the board meeting held on January 10, 2025, regarding managers' year-end bonuses, Directors Roger Chiang and Maxwell Lee recused themselves due to conflicts of interest and did not participate in the discussion or voting. The remaining directors present approved the proposal without objection.
   2.2 At the board meeting held on January 10, 2025, regarding the proposal to lift non-compete restrictions on directors, Director Roger Chiang recused himself due to a conflict of interest and did not participate in the discussion or voting. The remaining directors present approved the proposal without objection.
   2.3 At the board meeting held on September 18, 2025, regarding the proposed allocation of employee compensation for managers for 2024, Directors Roger Chiang and Maxwell Lee recused themselves due to conflicts of interest and did not participate in the discussion or voting. The remaining directors present approved the proposal without objection.

3. Evaluation of the performance of the Board of Directors

3.1. Internal Self-Assessment

Evaluation cycle	Evaluation periods	Evaluation scope	Evaluation methods	Criteria for performance evaluation
The Company conducts an internal evaluation annually	01.01.2025 ~ 12.31.2025	The Board Board of Directors /members Audit Committee and Remuneration Committee	Internal evaluation.	**Performance evaluation of the board of directors:** The criteria for evaluation include participation in the operation of the company, improvement of the quality of the board of directors' decision making, composition and structure of the board, election and continuing education of the directors, and internal control. **Performance evaluation of the board members:** The criteria for evaluation include alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control. **Performance evaluation of the functional committees (audit committee and remuneration committee):** The criteria for evaluation include participation in the operation of the company, awareness of the duties of the functional committee (audit committee and remuneration committee), quality of decisions made by the functional committee (audit committee and remuneration committee), makeup of the functional committee (audit committee and remuneration committee) and election of its members, and internal control.

Summary of Internal Performance Evaluation:

(1) The Company has established the Rules for Performance Evaluation of the Board of Directors. While internal evaluations are conducted annually, the Company mandates an external assessment by independent professional institutions or experts at least once every three years. For 2025, the Company commissioned an external expert body to conduct a comprehensive evaluation, integrating internal self-assessment findings. This process concluded in December 2025, with results formally reported to the Board on March 10, 2026.

(2) Led by an independent external institution, the 2025 evaluation utilized a hybrid approach combining self-assessment questionnaires with rigorous on-site interviews involving directors and key management. The scope included a review of supporting documentation and governance procedures to ensure the overall effectiveness of board oversight.

(3) The 2025 evaluation confirmed that the performance of the Board of Directors, individual directors, and functional committees (including the Audit and Remuneration Committees) consistently exceeded required standards. No significant areas for improvement were identified, and all practices remain in full compliance with relevant regulatory requirements.

3.2. Engagement of External Professional Institutions and Experts for Evaluation

Evaluation Period	December 19, 2025 to December 30, 2025
External Professional Institution	Taiwan Board Performance Advancement Association
Evaluation Team	Convener: Prof. Chen Sheng-yuan Members: Prof. Hu Hsing-yang and Prof. Chiu Wen-hui Independence Statement: The external institution and its evaluation team have no relationships with the Company that would affect their independence and are therefore considered independent.
Evaluation Methods and Scope	The evaluation was carried out through a review of self-assessment questionnaires, on-site interviews with board members and relevant managers, and verification of supporting documents, to assess the effectiveness of board governance. Data Evaluation Period: January 1, 2023 to September 30, 2025
Evaluation Standards	This evaluation was developed with reference to Taiwan's Corporate Governance Best Practice Principles, as well as relevant research and regulatory guidance. It is based on seven key areas: board composition and structure; director nomination and continuing education; board participation in operations; improvement of decision-making quality; internal control; sustainability; and value creation.A total of 40 indicators were incorporated into a structured questionnaire to assess the effectiveness of board governance.
Evaluation Conclusions and Recommendations	Summary: Overall, the Company's board governance and operations are in line with the corporate governance practices and board performance evaluation requirements set by the Taiwan Stock Exchange. Key Strengths of Board Governance: 1.The board structure demonstrates both independence and diversity. Independent directors account for three-sevenths of the board, and members bring a wide range of professional backgrounds, supporting well-rounded decision-making. 2.Directors actively fulfill their duties, participating in meetings and providing professional input, with in-depth discussions on key issues. 3.In addition to annual self-assessments, the Company engages an independent external institution every three years. Evaluation results are reported to the board, and improvement actions are actively implemented. 4.The Company places strong emphasis on developing key management talent and has established a clear succession plan for senior management. 5.The Company continues to invest in technological innovation, research and development, and digital transformation, supported by strong management capabilities to enhance corporate value. 6.The Company has achieved strong results in information security. The board places high importance on cybersecurity governance and has overseen the adoption and certification of ISO 27001. Areas for Enhancement and Recommendations: 1. It is recommended that the Company consider appointing female directors in the next board election to enhance gender diversity. 2.The Audit Committee maintains effective communication with the head of internal audit and the external auditors, with regular meetings and disclosures. It is recommended that the Audit Committee also hold separate meetings with each party and maintain written records to further strengthen its oversight role.

	Improvement Plans / Actions	1.The Company plans to increase the number of female directors in the next board election, with a long-term goal of achieving one-third gender diversity on the board to further strengthen board diversity. 2.The Company currently holds regular annual meetings between independent directors, the head of internal audit, and the external auditors, and also maintains communication through phone, email, or ad hoc meetings as needed. Going forward, the Audit Committee plans to hold separate meetings with the head of internal audit and the external auditors.
	Date of Board Report	March 10, 2026

4. The goals for enhancing the functions of Board of Directors of the year and the latest year (e.g. establishment of the Audit Committee, or improvement of transparency for information) and the assessments to the implementation:
   4.1 Improvement of transparency for information: Our company adopted a video-assisted shareholders' meeting in 2025, providing shareholders with a more convenient way to participate in the meeting
   4.2 Advanced study of directors and supervisors: The Company arranges advanced studies for directors and supervisors to help them obtain necessary information conveniently in order to maintain their core values and professional strengths and abilities.

Note：Securities and Exchange Act §14-3 resolutions:

Meeting Date	Term	Resolution	Any Independent Directors' Opinion	Implementation Status
01.10.2025	8th Term, 14th Meeting	Approval of the 2024 management year-end bonus proposal	None	Implemented according to the resolutions
		Resolution to remove non-compete restrictions for the Company's management		
		Resolution to remove non-compete restrictions for the Company's directors		
03.11.2025	8th Term, 15th Meeting	Proposal for the Tender Offer to Acquire Ordinary Shares of Proxene Tools Co., Ltd.	None	Implemented according to the resolutions
		Change of the Company's Chief Information Security Officer (CISO)		
		Distribution of 2024 Employee and Director Remuneration		
		2024 Business Report and Financial Statements		
		2024 Earnings Distribution Proposal		
		Assessment of Internal Control System Effectiveness and "Internal Control System Statement" for 2024		
		Amendments to Certain Provisions of the Articles of Incorporation.		
		Matters Related to the Convening of the 2025 Annual General Meeting of Shareholders		
		Change of the Company's External Auditors		
		Application for Credit Facilities from Citibank and Other Financial Institutions		
		Provision of Guarantees to Extensor World Trading Limited for Bank Credit Facilities		
		Provision of Guarantees to FS-Precision Tech Co., LLC. for Bank Credit Facilities		
		Issuance of a Letter of Support to Vision International Co., Ltd. for Bank Credit Facilities		
		Determination of the Record Date for New Share Issuance upon Conversion of the First Domestic Unsecured Convertible Bonds		
04.01.2025	8th Term, 16th Meeting	Proposal for the Issuance of the Second Domestic Unsecured Convertible Bonds	None	Implemented according to the resolutions

<table>
<tr><th>Meeting Date</th><th>Term</th><th>Resolution</th><th>Any Independent Directors' Opinion</th><th>Implementation Status</th></tr>
<tr><td rowspan="6">05.08.2025</td><td rowspan="6">8th Term, 17th Meeting</td><td>Consolidated Financial Statements for the First Quarter of 2025</td><td rowspan="6">None</td><td rowspan="6">Implemented according to the resolutions</td></tr>
<tr><td>Renewal of Directors and Officers (D&O) Liability Insurance Expiring on July 4, 2025</td></tr>
<tr><td>Capital Change for the Conversion of the First Domestic Unsecured Convertible Bonds into Ordinary Shares</td></tr>
<tr><td>Approval of the Non-Assurance Services to be Provided by Ernst & Young and its Affiliates</td></tr>
<tr><td>Capital Increase in Vietnam Subsidiary Vision International Co., Ltd. to Acquire Land Use Rights and Factory Buildings from Wimbledon International Co. Ltd for Plant Expansion</td></tr>
<tr><td>Approval of the Application for Credit Facilities from the Export-Import Bank of the Republic of China and Other Financial Institutions</td></tr>
<tr><td>06.18.2025</td><td>8th Term, 18th Meeting</td><td>Capital Increase in Gainsmart Group Ltd. and Re-investment in FS-North America, Inc. and its Subsidiary, FS-Precision Tech Co., LLC (collectively, the "FS-NA Group")</td><td>None</td><td>Implemented according to the resolutions</td></tr>
<tr><td rowspan="5">08.14.2025</td><td rowspan="5">8th Term, 19th Meeting</td><td>Change of the Company's Chief Information Security Officer</td><td rowspan="5">None</td><td rowspan="5">Implemented according to the resolutions</td></tr>
<tr><td>2025 Second Quarter Consolidated Financial Reports</td></tr>
<tr><td>2024 Sustainability Report</td></tr>
<tr><td>Application for Credit Facilities from Yuanta Commercial Bank</td></tr>
<tr><td>Approval of the Capital Increase in Aubo (Chongqing) Optoelectronics Co., Ltd. by the Company's 52.5%-owned Subsidiary, Zhong Shan Aubo Precision Technology Co., Ltd.</td></tr>
<tr><td rowspan="6">09.18.2025</td><td rowspan="6">8th Term, 20th Meeting</td><td>Proposal for the 2024 Employee Remuneration Distribution for the Company's Management</td><td rowspan="6">None</td><td rowspan="6">Implemented according to the resolutions</td></tr>
<tr><td>Application for Credit Facilities from CTBC Bank and Other Financial Institutions</td></tr>
<tr><td>Provision of Guarantees to Extensor World Trading Limited for Bank Credit Facilities</td></tr>
<tr><td>Issuance of a Letter of Support to Vision International Co., Ltd. for Bank Credit Facilities</td></tr>
<tr><td>Provision of Guarantees to Alloy Seiko Industry (SZ) Co., Ltd. and Alloy Seiko Technology (Jiangsu) Co.,Ltd. for Credit Facilities</td></tr>
<tr><td>Provision of Guarantees to NFT Technology Co., Ltd. for Credit Facilities</td></tr>
<tr><td rowspan="8">11.13.2025</td><td rowspan="8">8th Term, 21th Meeting</td><td>Consolidated Financial Statements for the Third Quarter of 2025</td><td rowspan="8">None</td><td rowspan="8">Implemented according to the resolutions</td></tr>
<tr><td>Amendments to the Company's "Internal Control System"</td></tr>
<tr><td>Application for Credit Facilities from ANZ Bank and Other Financial Institutions</td></tr>
<tr><td>Provision of Guarantees to Extensor World Trading Limited for Bank Credit Facilities</td></tr>
<tr><td>Provision of Guarantees to World Gate Holdings Ltd. for Bank Credit Facilities</td></tr>
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<tr><td>Provision of Loaning of Funds to Ming Fa Cheng Enterprise Co., Ltd.</td></tr>
<tr><td>Provision of Loaning of Funds to Subsidiary Vision International Co., Ltd.</td></tr>
</table>

Meeting Date	Term	Resolution	Any Independent Directors' Opinion	Implementation Status
12.24.2025	8th Term, 22th Meeting	2026 Business Plan and Financial Budget (including Capital Expenditure)	None	Implemented according to the resolutions
		2026 Internal Audit Plan		
		Assessment of the Independence and Competency of the Company's External Auditors		
		Engagement of External Auditors and Determination of Their Remuneration		
		Application for Credit Facilities from Taishin International Bank		
		Provision of Guarantees to World Gate Holdings Ltd. for Bank Credit Facilities		
		Provision of Guarantees to NFT Technology Co., Ltd. for Bank Credit Facilities		
		Procurement and Implementation of the Group ERP System		

2.3.2 Audit Committee Meeting Status

The Audit Committee was formally established on Jan. 24, 2018. This Committee consists of 3 independent directors. The independent director, Victor Wei-Chi Liu was selected to serve as the convener, and at least one meeting should be convened every quarter. The Committee is responsible for the fair presentation of the Company's financial statements, the appointment/termination, independence and performance of the CPAs of the Company, the effective implementation of the Company's internal control, compliance with relevant laws and regulations and management of the existing/potential risks.

The Audit Committee held 9 meetings in 2025. Key matters reviewed included:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The appointment or termination of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matters as may be required by this Company or by the competent authority.

*Review of Financial Statements

The Board of Directors submitted the Company's 2024 Business Report, financial statements, and earnings distribution proposal, along with the financial statements for the first, second, and third quarters of 2025. These financial statements were audited or reviewed by Ernst & Young, and the corresponding audit or review reports have been duly issued. The Audit Committee has reviewed the above documents and found no material misstatements or irregularities.

*Evaluation of the Effectiveness of the Internal Control System

All departments and subsidiaries completed the 2024 self-assessment of the internal control system, which was reviewed by the internal audit function. Based on the results of the annual audit plan, the Audit Committee concluded that the overall design and operation of the internal control system are effective, with no material deficiencies, and provide reasonable assurance that internal control objectives are achieved.

*Appointment of Independent Auditors

The Company has established independence assessment criteria in accordance with Article 47 of the Certified Public Accountant Act and the Code of Professional Ethics, and has also taken into account Audit Quality Indicators (AQIs). Based on the Audit Committee's evaluation, Mr. Chang Chiao-Ying and Mr. Huang Tzu-Ping, CPAs of Ernst & Young, meet the Company's independence and qualification requirements and are qualified to serve as the Company's independent auditors.

FSP's Audit Committee had 9 meetings in 2025.

The independent directors' attendance status is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Independent Director	Victor Liu	9	-	100	-
Independent Director	Michael Kao	9	-	100	-
Independent Director	C.K. Chen	9	-	100	-

Other Matters to be Recorded:

1. For any of the following situation during the operation of the Audit Committee, the date of meeting of the Committee, terms, description of proposal, resolutions of the Audit Committee and the treatment of such opinions shall be specified:：
   1.1 Issues specified in Article 14-5, Securities and Exchange Act: Refer to Note.
   1.2 Other than the abovementioned issues, the matters failed to be passed by the Audit Committee, but resolved with consents of more than two third of all directors: None.
2. For the recusal of independent directors to the proposals with interest conflicts, the name of independent director（s）, description of proposal, reason of recusal, and the status of voting participation shall be specified: None.
3. The communications among the independent directors, the head of internal audit, and CPAs: The Company's Internal Auditor and the contracted CPAs participated in every Audit Committee meetings. For detailed summaries of these discussions and relevant meeting minutes, please visit the "Communication with Independent Directors" section under "Investors / Corporate Governance" on the Company's website.

Note: Securities and Exchange Act §14-5 resolutions:

Meeting Date	Term	Resolution	Audit Committee Comments	Actions Taken in Response to Audit Committee Comments
01.10.2025	8th Term, 14th Meeting	Approval of the 2024 management year-end bonus proposal	None	Implemented according to the resolutions
		Resolution to remove non-compete restrictions for the Company's management		
		Resolution to remove non-compete restrictions for the Company's directors		

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Meeting Date	Term	Resolution	Audit Committee Comments	Actions Taken in Response to Audit Committee Comments
08.14.2025	8th Term, 19th Meeting	Change of the Company's Chief Information Security Officer	None	Implemented according to the resolutions
08.14.2025	8th Term, 19th Meeting	2025 Second Quarter Consolidated Financial Reports	None	Implemented according to the resolutions
08.14.2025	8th Term, 19th Meeting	2024 Sustainability Report	None	Implemented according to the resolutions
08.14.2025	8th Term, 19th Meeting	Application for Credit Facilities from Yuanta Commercial Bank	None	Implemented according to the resolutions
08.14.2025	8th Term, 19th Meeting	Approval of the Capital Increase in Aubo (Chongqing) Optoelectronics Co., Ltd. by the Company’s 52.5%-owned Subsidiary, Zhong Shan Aubo Precision Technology Co., Ltd.	None	Implemented according to the resolutions
09.18.2025	8th Term, 20th Meeting	Proposal for the 2024 Employee Remuneration Distribution for the Company’s Management	None	Implemented according to the resolutions
09.18.2025	8th Term, 20th Meeting	Application for Credit Facilities from CTBC Bank and Other Financial Institutions	None	Implemented according to the resolutions
09.18.2025	8th Term, 20th Meeting	Provision of Guarantees to Extensor World Trading Limited for Bank Credit Facilities	None	Implemented according to the resolutions
09.18.2025	8th Term, 20th Meeting	Issuance of a Letter of Support to Vision International Co., Ltd. for Bank Credit Facilities	None	Implemented according to the resolutions
09.18.2025	8th Term, 20th Meeting	Provision of Guarantees to Alloy Seiko Industry (SZ) Co., Ltd. and Alloy Seiko Technology (Jiangsu) Co.,Ltd. for Credit Facilities	None	Implemented according to the resolutions
09.18.2025	8th Term, 20th Meeting	Provision of Guarantees to NFT Technology Co., Ltd. for Credit Facilities	None	Implemented according to the resolutions
11.13.2025	8th Term, 21th Meeting	Consolidated Financial Statements for the Third Quarter of 2025	None	Implemented according to the resolutions
11.13.2025	8th Term, 21th Meeting	Amendments to the Company’s "Internal Control System"	None	Implemented according to the resolutions
11.13.2025	8th Term, 21th Meeting	Application for Credit Facilities from ANZ Bank and Other Financial Institutions	None	Implemented according to the resolutions
11.13.2025	8th Term, 21th Meeting	Provision of Guarantees to Extensor World Trading Limited for Bank Credit Facilities	None	Implemented according to the resolutions
11.13.2025	8th Term, 21th Meeting	Provision of Guarantees to World Gate Holdings Ltd. for Bank Credit Facilities	None	Implemented according to the resolutions
11.13.2025	8th Term, 21th Meeting	Issuance of a Letter of Support to Vision International Co., Ltd. for Bank Credit Facilities	None	Implemented according to the resolutions
11.13.2025	8th Term, 21th Meeting	Provision of Loaning of Funds to Ming Fa Cheng Enterprise Co., Ltd.	None	Implemented according to the resolutions
11.13.2025	8th Term, 21th Meeting	Provision of Loaning of Funds to Subsidiary Vision International Co., Ltd.	None	Implemented according to the resolutions
12.24.2025	8th Term, 22th Meeting	2026 Business Plan and Financial Budget (including Capital Expenditure)	None	Implemented according to the resolutions
12.24.2025	8th Term, 22th Meeting	2026 Internal Audit Plan	None	Implemented according to the resolutions
12.24.2025	8th Term, 22th Meeting	Assessment of the Independence and Competency of the Company's External Auditors	None	Implemented according to the resolutions
12.24.2025	8th Term, 22th Meeting	Engagement of External Auditors and Determination of Their Remuneration	None	Implemented according to the resolutions
12.24.2025	8th Term, 22th Meeting	Application for Credit Facilities from Taishin International Bank	None	Implemented according to the resolutions
12.24.2025	8th Term, 22th Meeting	Provision of Guarantees to World Gate Holdings Ltd. for Bank Credit Facilities	None	Implemented according to the resolutions
12.24.2025	8th Term, 22th Meeting	Provision of Guarantees to NFT Technology Co., Ltd. for Bank Credit Facilities	None	Implemented according to the resolutions
12.24.2025	8th Term, 22th Meeting	Procurement and Implementation of the Group ERP System	None	Implemented according to the resolutions

2.3.3 Operation Status of the Corporation Governance and the discrepancies with the Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies, and the causes:

Assessment Item	Implementation Status(Note 1)			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason
	Yes	No	Explanation	
1. Does Company follow "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" to establish and disclose its corporate governance practices?	✓		The Company has established the Corporate Governance Best Practice Principles, and disclosed these on the official website and MOPS	No significant difference
2. Shareholding Structure and Shareholders' Rights				
(1) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	✓		(1) The Company has established "Procedures for Handling Material Inside Information" to assure the right of shareholders. The Spokespersons and deputy spokespersons and share affairs system handle the advices or disputes of shareholders.	No significant difference
(2) Does Company possess a list of major difference shareholders and beneficial owners of these major shareholders?	✓		(2) The Company's current major shareholders were the members of the founding family, management team and professional institution. The Company can grasp the shareholding status and maintain well interaction among major shareholders.	No significant difference
(3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		(3) The Company has established a clear demarcation of authority and responsibility for asset and financial management between the parent company and its affiliates. By enforcing policies such as the Subsidiary Supervision Regulations, the Guidelines Governing Financial and Operational Transactions Between Related Parties, and the Procedures for Transactions with Group Companies, the Company maintains a robust risk control framework and effective firewall mechanisms across its corporate group.	No significant difference
(4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓		(4) To uphold the highest standards of integrity, the Company has institutionalized its Procedures for Ethical Business Conduct and Procedures for Handling Material Inside Information, both of which are publicly accessible on our corporate website. Under these frameworks, insiders are strictly prohibited from engaging in securities trading based on non-public market information. Annual compliance training is conducted at least annually for all directors, executives, and employees, focusing on the Insider Trading Prevention Regulations. This commitment extends to new personnel: newly appointed directors and managers receive training within their first month, while new employees are briefed by Human Capital during orientation. The curriculum provides a comprehensive overview of what constitutes material information, alongside strict confidentiality protocols and preventative measures, ensuring all participants have the necessary resources for ongoing reference.	No significant difference
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop a diversified policy of its members, specific management objectives and implemented?	✓		(1) The Company has established the Corporate Governance Best Practice Principles and disclosed the complete information on the Company's website and MOPS. Please refer to page 11-12 for the diversified policy of its members, specific management objectives and the implementation results.	No significant difference
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(2) The Company has set up Remuneration Committee and Audit Committee, with other functional committees to be set up as needed.	Will set up other functional committee as needed

Assessment Item	Implementation Status(Note 1)			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason
	Yes	No	Explanation	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	✓		(3) Since formalizing its Board performance evaluation framework on May 12, 2020, the Company has maintained a disciplined review cycle, conducting annual self-assessments supplemented by an independent external review every three years. These findings serve as a strategic benchmark for director remuneration and re-nomination processes. For 2025, the Company utilized a a comprehensive evaluation framework, integrating internal assessments with a professional review conducted by the Taiwan Board of Directors Association. This independent assessment was completed in December 2025, with the final integrated report presented to the Board of Directors on March 10, 2026.	No significant difference
(4) Does the Company regularly evaluate the independence of CPAs?	✓		(4) The Audit Committee conducts an annual review to ensure the independence and suitability of the Company's signing auditors. This rigorous assessment leverages Audit Quality Indicators (AQIs) and formal Independence Statements, evaluating the auditors against 13 specific AQI metrics and established independence standards (Note 2). For the most recent cycle, the Committee confirmed that the auditors from Ernst & Young maintain no financial interests or business ties with the Company—beyond audit and tax services—and that their family members comply with all independence mandates. These evaluation results were reviewed and approved by the Audit Committee on December 24, 2025. On the same date, the Board of Directors formally endorsed the continued independence and suitability of the appointed auditors.	No significant difference
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board and shareholders' meetings)?	✓		The Company has designated the Financial Center to be in charge of board meetings, shareholders' meetings affairs and corporate governance. The Board of Directors has resolved on November 9, 2023 that Chiaching Chen, Accounting Supervisor of the Finance Center, serves as the Company's Chief Governance Officer on a full-time basis and has been in charge of corporate governance affairs in public companies for more than three years, thus is qualified as required by laws. The major duties include but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings.	No significant difference
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		1. The Company has established a spokesperson and deputy spokesperson system to ensure the regular and transparent disclosure of financial information. An Investor Relations section and contact mailbox are available on the Company's website. The Company reports on its communication with stakeholders to the Board of Directors at least once a year; in 2025, this report was presented on December 24, 2025. 2..The Company maintains a dedicated 'Stakeholder Engagement' portal within the ESG section of its website. This platform provides transparency into our engagement process, detailing the identification of key stakeholders, their primary areas of concern, and the specific channels and frequency of our outreach. To ensure active dialogue, we have established dedicated communication points for each group, with assigned personnel responsible for addressing and responding to all inquiries in a timely and professional manner.	No significant difference

Assessment Item	Implementation Status(Note 1)			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason
	Yes	No	Explanation	

Key Stakeholders	Communication Channels and Frequency	Key Topics of Concern	Responses and Outcomes
Employees	Performance reviews (semi-annually); labor-management, welfare committee, and occupational safety meetings (quarterly); company-wide meetings (monthly); daily briefings; internal announcements; suggestion mailbox (real-time/daily)	Customer relationship management; information security management; product management; risk and crisis management; occupational health and safety	New employee onboarding sessions; strengthened internal communication through meetings and announcements; well-established feedback mechanisms
Customers	Phone, email, and video conferences (real-time/weekly); capacity, quality, and R&D review meetings (weekly/monthly/quarterly); customer satisfaction surveys (semi-annually); annual supplier conference	Biodiversity; climate change; pollution and waste management	Recognized as a global top supplier by key customers; established transparent quality and capacity feedback mechanisms
Suppliers	Phone, email, and on-site communication (real-time); supplier evaluation and guidance (as needed); supplier assessments and audits (quarterly/as needed)	Product management; environmental policy; pollution and waste management; water resource management	Quarterly supplier evaluations and performance tracking; on-site audits to ensure supply chain compliance
Shareholders / Investors / Financial Institutions	Public Information Observatory and Company website (real-time); investor conferences (quarterly); shareholders' meetings and annual reports (annually); credit facility renewal meetings (annually/as needed)	Information security management; product management; risk and crisis management; supply chain management	Transparent disclosure of financial and operational information; regular investor briefings and institutional investor meetings; maintaining strong banking relationships
Government, Academia, and Research Institutions	Official correspondence and Public Information Observatory (real-time/as needed); on-site inspections (as needed); industry exchanges and academic forums (as needed)	Information security management; product management; pollution and waste management; water resource management; occupational health and safety	Compliance with routine safety and environmental inspections; participation in campus recruitment and industry engagement activities
Affiliates	Phone and email (real-time); affiliate coordination and support (real-time); partner meetings (annually)	Information security management; product management; risk and crisis management; supply chain management; human resource management	Resource sharing across the group; enhanced operational synergy through partner collaboration
Local Communities	Phone and email (real-time); official correspondence (as needed); community and charitable activities (as needed)	Customer relationship management; information security management; pollution and waste management; water resource management	Participation in local charitable initiatives; maintaining strong community relationship

Assessment Item	Implementation Status(Note 1)			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason
	Yes	No	Explanation	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed "Taishin Securities Stock Affairs Agency" as its professional shareholder service agency.	No significant difference
7. Information Disclosure				
(1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	✓		(1) The Company has disclosed its financial, business, and corporate governance information on the Company's website and MOPS in accordance with applicable laws.	No significant difference
(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 has appointed dedicated staff to collect necessary information and regularly/irregularly disclose investor conference information on MOPS. The Company also has English & Chinese website (https://www.fusheng-precision.com/) to disclose related information for domestic and foreign investors. To ensure the appropriate and timely disclosure of information that might affect shareholders/interested persons in decision-making, the Company has implemented spokesman system.	No significant difference
(3) Does the company publish and announce the annual financial report within two months at end of every business year? Then, does it also publish and announce the Q1, Q2 and Q3 financial statements and monthly operating situation before the prescribed time?		✓	(3) In 2025, The Company's annual, 1Q, 2Q and 3Q financial statements and monthly operating situation have been published and announced within the prescribed time.	Plan to advance the schedule as needed
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. The Company has established Employee Welfare Funds Committee and set relevant regulations to enhance employee`s rights. 2. In order to protect the investors' rights and to make the public understand the operating situation, the Company has set up "Investor" section on the official website, which could provide investors with more information in addition to MOPS. 3. The Company has appointed dedicated departments as the communication channel for suppliers and other stakeholders to protect their rights. 4. The Company keeps its Board members fully informed of evolving regulatory requirements and professional development opportunities, and also completed the training requirements according to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies". 5. Risk management policy and risk evaluation measure implementation status: The Company has established related policies in accordance with laws and regulations to conduct risk assessment and implement internal audits. 6. Customer relationship policy implementation status: The Company has maintained good and stable relationship with customers to achieve best interest for the company. 7. The Company has purchased liability insurance for Directors (including independent directors) and the Management Team.	No significant difference

Assessment Item	Implementation Status(Note 1)			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason
	Yes	No	Explanation	

9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange; for improvement not yet conducted, the prioritized enhancement and measures shall be described.

(1) The Company maintains a dynamic balance between regulatory compliance and long-term strategic growth. Performance indicators that have not yet been met are meticulously reviewed to determine their feasibility; where applicable, these are integrated into our strategic roadmap and addressed through concrete improvement plans.

(2) To foster transparency, we maintain dedicated Corporate Governance and ESG portals on our website. These platforms provide investors and stakeholders with comprehensive insights into our financial health, operational resilience, and sustainability progress. We remain committed to championing shareholder rights, optimizing board composition, and advancing our corporate social responsibility (CSR) initiatives.

(3) While the results of the 2025 (12th Term) Corporate Governance Evaluation are pending as of this report's publication, we have proactively advanced several key initiatives:

A. Board Diversity & Structure: In alignment with our commitment to board diversity, the Company has actively diversified its candidate pool. We are pleased to announce the nomination of a female director candidate for the upcoming 2026 board re-election.

B. Information Transparency: In 2025, we accelerated our reporting cycle, releasing English-language interim financial reports within two months of the Chinese filing deadline. Additionally, we have enhanced disclosures regarding the direct linkage between performance outcomes and executive remuneration.

C. Sustainable Development: Throughout 2025, the Company continued to champion domestic cultural development. Highlights include the publication and donation of children's picture books to schools and charitable organizations, alongside sponsorships for public theater performances.

D. Continuous Improvement: The Company remains dedicated to auditing its governance performance, with ongoing efforts to evaluate and implement strategic actions for any remaining unmet indicators.

Note 1 :The implementation Status shall be all explained.

Note 2: The Accounting Independence Assessment Standards

Item	Evaluation indicators	Result	Whether it meets the independence
1	The auditors have no direct or significant indirect financial interests in the Company	Yes	Yes
2	The auditors have no financing or guarantee arrangements with the Company or its directors	Yes	Yes
3	The auditors have no close business relationships or potential employment relationships with the Company	Yes	Yes
4	Neither the auditors nor any members of the audit team have, currently or within the past two years, served as directors, management, or in positions that could significantly influence the audit	Yes	Yes
5	The auditors have provided no non-audit services that may directly affect the audit	Yes	Yes
6	The auditors have not acted as intermediaries for the Company's shares or other securities	Yes	Yes
7	The auditors have not acted as an advocate for the Company or represented the Company in resolving disputes with third parties	Yes	Yes
8	The auditors have no family relationships with the Company's directors, management, or personnel who have significant influence over the audit	Yes	Yes

2.3.4 Remuneration Committee Meeting Status

2.3.4.1 Information of the members of the Remuneration Committee

Role \ Criteria	Name	Professional qualifications and experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Members
Independent Director (Convener)	Victor Liu	Please refer to page 10	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied	1
Independent Director	Michael Kao	Please refer to page 10	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied	2
Independent Director	C.K. Chen	Please refer to page 10	During the two years before being elected and during the term of office, none of the provisions 3 paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies is applied	0

2.3.4.2 Remuneration Committee Meeting Status

(1) There are three members in the Remuneration Committee

(2) The tenure of the current term is from July 1, 2023, to June 30, 2026.

FSP's Remuneration Committee convened 3 meetings in 2025. The committee members' attendance status is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Convener	Victor Liu	3	0	100	
Member	Michael Kao	3	0	100	
Member	C.K. Chen	3	0	100	

Other Matters to be Recorded:

1. If the Board of Directors does not adopt or wishes to amend the proposals of the Remuneration Committee, please state the date and session of the Board meeting, proposals, resolutions from the Board of Directors, and handling of the Remuneration Committee's opinions (e.g., if the salary and remuneration approved by the Board of Directors are better than those proposed by the Remuneration Committee, please specify the differences and the reason): None.
2. For the resolutions of the Remuneration Committee, if any member expresses objections or reservations, which are recorded on the record or in a written statement, the date, meeting session, content of the proposal, the opinions of all members, and the handling of the members' opinions shall be stated: None.

Note: Resolution of Remuneration Committee Meeting in 2025 and the implementation status:

Remuneration Committee Meeting Date	Resolution	Any Independent Director Opinion	Implementation Status
01.10.2025	Proposal for the Distribution of 2024 Year-End Bonuses to Management	None	Adopted by the Board of Directors and Implemented accordingly
03.11.2025	Proposal for the Allocation and Distribution of Employee Compensation and Directors' and Supervisors' Remuneration for 2024	None	Adopted by the Board of Directors and Implemented accordingly
09.18.2025	Proposal for the Allocation of 2024 Employee Compensation to Management	None	Adopted by the Board of Directors and Implemented accordingly

2.3.4.3 Responsibilities of FSP's Remuneration Committee Meeting

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and presents its recommendations to the board of directors for discussion:

1. Periodically reviewing this Charter and making recommendations for amendments.
2. Establishing and periodically reviewing the annual and long-term performance goals for the directors and managerial officers and the policies, systems, standards, and structure for their compensation.
3. Periodically assessing the degree to which performance goals for the directors and managerial officers of the Company have been achieved and setting the types and amounts of their individual compensation.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

1. Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
2. Performance assessments and compensations levels of directors and managerial officers shall take into account the general pay levels in the industry. Reasonableness of the correlation between the individual performance, the Corporation's operational performance and future risk exposure shall also be put into consideration.
3. There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of this Corporation.
4. For directors and senior managerial officers, the percentage of bonus to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of this Corporation's business.
5. No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

"Compensation" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with the compensation for directors and managerial officers as set out in the Regulations Governing Information to be published in Annual Reports of Public Companies.

When deliberating the recommendations of the remuneration committee, the board of directors shall give comprehensive consideration to matters including amounts of remuneration, payment methods, and the company's future risk.

If the board of directors will decline to adopt, or will modify, a recommendation of the remuneration committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall give the comprehensive consideration under the preceding paragraph and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee.

If the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes and announced on MOPS within 2 days.

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the parent company, the parent company's remuneration committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

2.3.4.4 Nominating Committee Members' Information and Meeting Status: None.

2.3.5 Operation status of the sustainable development and the discrepancies with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies, and the causes:

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
1. Does the Company establish a sustainable development management framework and a dedicated (or part-time) unit for promoting sustainable development? Is the unit authorized by the Board of Directors to implement ESG activities at the executive level and supervised by the Board of Directors?	✓		(1) In 2021, the Company formalized its sustainability governance framework and ESG organization. The Board of Directors delegated executive responsibility to senior management and appointed the Group Vice President of Finance as the Chief Sustainability Officer (CSO) to lead the Group's overarching ESG strategy and execution. (2) Under the CSO's leadership, a Group-level sustainability task force was established. This cross-departmental function coordinates ESG initiatives across all sites, providing regular progress updates to both the Board and senior management. This governance cycle includes at least one formal Board report annually, with the most recent briefing delivered on August 14, 2025. (3) Regarding material environmental issues—including climate change, greenhouse gas (GHG) management, and energy efficiency—the Company has implemented rigorous carbon reduction plans and energy-saving initiatives under Board authorization. These efforts, complemented by cost-optimization and risk mitigation measures, are executed by senior management under continuous Board oversight. Progress and outcomes were reported to the Board across four sessions in 2025 (March 11, May 8, August 14, and November 13), ensuring that the Company's sustainability performance remains strictly aligned with its long-term strategic objectives.	No significant difference
2. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established relevant risk management policies or strategies?	✓		(1) In alignment with the principle of materiality, the Company systematically identifies and evaluates ESG-related risks inherent to its operations, formulating robust risk management policies and strategies accordingly. Central to this process is the 'Environmental Aspects and Risk Assessment Management Procedures,' a framework designed to assess the material impacts of our operations, activities, and services on both environmental and social dimensions, ensuring that response strategies are strategically aligned with assessment outcomes.. (2) This disclosure covers the Company's sustainability performance from January ,2025 to December,2025 at its major locations. The risk assessment boundary is based on the Company and includes the subsidiaries, Zhongshan Sports Equipment Company Limited (Zhongshan Guangsheng), Vision International Co., Ltd. and Minson Integration Company Limited , on the basis of their relevance to the operation of the business and the degree of impact on the material subject matter. (3) Informed by these assessment results, the Company has established the following risk management policies and strategies to address material ESG issues:	No significant difference

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Matter</th><th>Risk</th><th>Description</th></tr>
<tr><td rowspan="3">Environment</td><td>Climate Change</td><td>1. We collect and analyze information on climate change issues and energy risks annually, identify and evaluate climate change-related risks by referring to the ISO 14001 risk identification procedures, and formulate preventive measures to reduce the negative impacts of climate change.
2. Continuously implement environmental protection action programs through the implementation of the ISO 14001 environmental management system.</td></tr>
<tr><td>Greenhouse</td><td>1. The Company has formulated and is actively implementing the four major transformations (the seven strategies below), and will gradually add more carbon reduction strategies in accordance with the development of carbon reduction technology, , please consult page 57 of this Annual Report.</td></tr>
<tr><td>Pollution and Waste Management</td><td>1. Implement the Toyota Production System to effectively improve production efficiency and minimize production process waste, and achieve the goals of resource efficiency and energy conservation.
2. Actively develop strategies for low-carbon transformation of products, and continue to expand green energy installations through the introduction of energy-saving equipment and monitoring and management by the EMS (Energy Management System) system.</td></tr>
<tr><td rowspan="2">Social</td><td>Occupational Safety and Health</td><td>1. Obtained ISO 45001 Occupational Health and Safety Management System certification.
2. Regularly hold fire drills and environmental safety and hygiene education training every year to cultivate employees' emergency response and self-safety management skills, and to prevent employees from approaching situations that may cause injury or illness (e.g., chemicals, noise, fire, explosives...etc.).</td></tr>
<tr><td>Product Management</td><td>1. To obtain “ISO 9001 Quality Management System” and “AS 9100D Aerospace Quality Management System” certifications to ensure the health and safety of product users and product quality.
2. Actively develop new environmental friendly materials and processes, and increase the utilization rate of recycled materials in order to shorten the production process and reduce the waste generated during the production process.</td></tr>
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</td><td></td></tr>
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<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td></td><td>3. Reduce employee's working time and labor intensity through technology upgrading and automation technology investment and improvement to increase employee's job satisfaction and efficiency.</td></tr>
<tr><td rowspan="2">Corporate Governmance</td><td>Information Security</td><td>1. To formulate information security policies to implement information security management mechanisms and enhance the Group's information security protection capabilities through three main axes, namely, personnel governance, equipment resources and policy management, please consult pages 86–87 of this Annual Report.
2. Obtained ISO27001 Information Security Management System certification (valid from 2026/04/09-2029/04/08).</td></tr>
<tr><td>Stakeholders Communicaton</td><td>1. Depending on the stakeholders, we communicate with them in different ways on a regular and irregular basis every year, and use questionnaires to identify the major issues of concern, and conduct significance analyses through a systematic analytical model in order to understand the stakeholders and the important issues of concern to them.
2. Establishing various communication channels for active communication to minimize confrontation and misunderstanding. We also set up investor mailboxes, which are handled and responded to by specialized staff.</td></tr>
</table>
</td><td></td></tr>
<tr><td>3. Environmental Topic
(1) Has the Company set an environmental management system designed to industry characteristics?</td><td>✓</td><td></td><td>(1) A. The Company has developed a robust environmental management framework tailored to the specific needs of its industry and fully aligned with current Ministry of Environment standards—covering everything from air and water quality to waste and chemical safety. At the core of operations is a comprehensive Environmental, Health, and Safety (EHS) policy that guides footprint management and ensures absolute corporate accountability. The Company has also taken its commitment a step further by implementing ISO 14001. This system enables a more systematic, boots-on-the-ground approach to pollution prevention, resource conservation, and smarter, more efficient waste management.
B. The Company reached several key milestones in its 2025 environmental initiatives:
Pollution Prevention: The Company expanded its environmental protection facilities, actively minimizing the operational footprint and reducing the impact on surrounding ecosystems.
Energy & Resource Conservation: By optimizing its energy management system, the Company achieved significant gains in efficiency, directly lowering both overall energy consumption and carbon emissions.</td><td>No significant difference</td></tr>
</table>

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
			Waste Management: The Company is championing circular economy principles by developing eco-friendly materials and refining processes to increase the use of recycled content, effectively cutting down on waste at the source. For a comprehensive breakdown of the 2025 implementation results, please refer to Section 3(4) of this table. C. The Company maintains ISO 45001 and ISO 14001 certifications, integrating occupational health, safety, and environmental management into its core operations. This framework ensures the Company proactively mitigates workplace risks and prevents injuries while maintaining full compliance with environmental regulations. The Company remains focused on driving continuous improvements in safety standards and environmental performance.	
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓		(2) A. The Company is dedicated to maximizing energy efficiency and integrating low-impact recycled materials through a structured management approach. A comprehensive energy management system has been established, supported by regular oversight meetings to monitor performance and ensure the effective execution of energy-saving initiatives. In 2025, the Company targeted high-consumption equipment and processes for energy optimization, incorporating the results into the annual review for continuous tracking. B. The Company has a long-standing commitment to using eco-friendly recycled materials and has upgraded its circular economy strategy from 3R to 5R (Reduce, Reuse, Recycle, Repurpose, Redesign). This evolution ensures that environmental impact is minimized across the entire product lifecycle—from initial design and process engineering to material sourcing. C. The Company is committed to sustainable, low-carbon operations by strengthening its energy management framework. This includes setting rigorous energy-saving and carbon-reduction targets, conducting detailed resource inventories, and upgrading renewable energy installations. Progress toward these goals is tracked on a regular basis to drive continuous improvement in management policies and measures. D. For the annual energy saving/carbon reduction/waste reduction policies and achievements, please refer to point (4) of this table.	No significant difference
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		(3) A. The Company actively addresses climate change by assessing potential risks and opportunities under the IFRS S2 and TCFD frameworks. These assessments are fully integrated into the Company's enterprise risk management and strategic planning, providing a scientific basis for medium- and long-term decision-making. B. To address identified climate-related factors, the Company has implemented comprehensive energy-saving and carbon-reduction initiatives. These strategies focus on enhancing energy efficiency, cutting emissions, and reducing water consumption in parallel. Through these proactive measures, the Company not only mitigates the operational impact of climate change	No significant difference

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?</td><td>✓</td><td></td><td>but also continuously strengthens its overall climate resilience and long-term competitiveness
(4) The Company has systematically tracked and disclosed its latest performance metrics for greenhouse gas emissions, water consumption, and total waste generation. Leveraging these data-driven insights, the Company has established targeted policies and management protocols to drive progress in energy efficiency, carbon mitigation, water conservation, and waste reduction.
For 2025, the scope of the information provided below specifically covers the Company's Taoyuan plant.
The data of carbon emission, water Consumption and waste quantity from 2021 to 2025:
<table>
<tr><th></th><th>Water Consumption (Metric Tons)</th><th>Electricity Usage (1,000 kWh)</th><th>Waste Quantity (Ton)</th><th>Carbon Emission (TonCO$_2$e)</th><th>Carbon emission per unit (TonCO$_2$ e /Million NT$ sales)</th></tr>
<tr><td>2021</td><td>120</td><td>36,509</td><td>8,238</td><td>23,780</td><td>1.2418</td></tr>
<tr><td>2022</td><td>125</td><td>38,153</td><td>8,862</td><td>25,393</td><td>0.9100</td></tr>
<tr><td>2023</td><td>121</td><td>29,927</td><td>5,887</td><td>19,378</td><td>0.9923</td></tr>
<tr><td>2024</td><td>126</td><td>33,834</td><td>6,987</td><td>23,664</td><td>1.0652</td></tr>
<tr><td>2025</td><td>124</td><td>32,376</td><td>6,071</td><td>20,700</td><td>0.9064</td></tr>
</table>
Note: Data reflects standalone parent company performance. Emissions include verified Scope 1 & 2 totals. Despite 2025 revenue being the second-highest on record (following 2022), carbon intensity dropped to 0.9064—a 15% reduction compared to 2024 (1.0652).
A. Pollution Prevention and Control: The Company continues to strengthen its environmental infrastructure, securing the latest government-issued stationary pollution source operating permit in October 2025.
B. Energy Management and Carbon Reduction: The Company maintains a formal energy management system and conducts regular oversight meetings to monitor efficiency and the effectiveness of our energy-saving initiatives. By expanding solar photovoltaic capacity, prioritizing energy-efficient procurement, and optimizing high-consumption equipment and processes, we execute structured action plans to reach our energy conservation and carbon reduction objectives. In 2025, total solar power generation reached 282,267 kWh, achieving a carbon reduction of 134,032 kg.
C. Greenhouse Gas (GHG) Reduction: The Company established 2021 as its base year for greenhouse gas management. In 2025, we recorded a decrease in both Scope 1 and Scope 2 emissions relative to the base year, demonstrating that our reduction initiatives are yielding early results. For detailed greenhouse gas reduction strategies and action plans, please consult pages 56–57 of this Annual Report.</td><td>No significant difference</td></tr>
</table>

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
			D. Water Resource Management: The Company tracks water usage data through a dedicated monitoring system and has set a goal to reduce water intensity by 20% by 2025, relative to the 2021 base year. Since 2021, we have integrated water resources with neighboring manufacturers by reclaiming treated wastewater from their production processes for general cleaning and restroom facilities, thereby enhancing overall water efficiency. Furthermore, we have established an on-site wastewater recycling system to treat and reuse operational wastewater back into our production processes. These initiatives not only minimize final wastewater discharge but also significantly reduce tap water consumption. In 2025, tap water consumption decreased by 27,242 metric tons, representing an approximate 13% decline in unit water intensity compared to the base year.	

Year	Water Consumption (Metric Tons)	Water Intensity (MT/Million Revenue)	Reduction Compared to Base Year (2021)
2024	125,596	5.6534	10%
2025	124,389	5.447	13%

Note: The 2021 base year recorded a water intensity of 6.2549 MT/Million Revenue. The scope of all environmental data disclosed above specifically pertains to the Taoyuan plant of the parent company

E. The Company is committed to source reduction by prioritizing environmentally friendly materials and championing a 5R circular economy strategy—Reduce, Reuse, Recycle, Repurpose, and Redesign—with a set target to reduce waste intensity by 20% by 2025 relative to our 2021 base year. In addition to our long-term implementation of the Toyota Production System (TPS) to optimize efficiency and minimize manufacturing waste, we actively develop eco-friendly processes and adopt recycled materials with lower environmental footprints, featuring key initiatives that range from the compliant reuse of manufacturing scrap molds via third-party partnerships and the 100% distillation and recovery of process cleaning agents to the adoption of GRS-certified eco-friendly packaging and the systematic recycling of shipping cartons. These measures drive reduction at the source while maximizing reuse and recycling rates, supported by a formal "Waste Disposal Operation Standard" that governs the storage, removal, and treatment of all waste to ensure full regulatory compliance and proper handling; consequently, in 2025, total waste decreased by approximately 13% year-on-year, representing a significant reduction of 916 metric tons.

Year	Total Waste (Metric Tons)	Waste Intensity (MT/Million Revenue)	Reduction Compared to Base Year (2021)
2024	6987	0.3145	27%
2025	6071	0.2658	38%

Note: The 2021 base year recorded a waste intensity of 0.4302 MT/Million Revenue. The scope of all waste-related data disclosed above specifically pertains to the Taoyuan plant of the parent company.

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
4. Social Topic (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓		(1) A. The Company adheres to internationally recognized human rights standards and principles, including the UN Universal Declaration of Human Rights, the UN Global Compact, and the International Labour Organization's (ILO) fundamental conventions regarding core labor standards, as well as all applicable local laws and regulations. Grounded in these frameworks, we have established and continue to promote a comprehensive human rights policy designed to prevent any form of infringement and to ensure that all internal and external stakeholders are treated with fairness, equality, and dignity. B. The Company's human rights policy extends to all employees across our global operations, encompassing suppliers, contractors, and partners—including joint ventures, local communities, and customers. This policy is publicly disclosed on our corporate website and internal platforms, with its core principles continuously communicated to both employees and relevant stakeholders. C. The Parent Company's Human Capital Center serves as the dedicated unit responsible for ensuring the effective implementation of our human rights policy. This center regularly evaluates the impact of our business operations and internal management on human rights, the environment, and social welfare. Based on these assessments, the Company adopts responsive measures and strengthens management policies to fulfill its corporate social responsibility toward employees, consumers, stakeholders, and environmental sustainability. For further details on specific measures, please see Section 7(1) of this table.	No significant difference
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	✓		(2) A. The Company establishes and maintains comprehensive employee welfare programs, including compensation, leave, and benefit systems, in full accordance with applicable laws and regulations. Pursuant to the Labor Standards Act, we have formalized our Work Rules; furthermore, in compliance with the Employee Welfare Fund Act, we have formed an Employee Welfare Committee and adopted the Employee Welfare Fund Management Regulations to systematically administer and promote these initiatives. B. To ensure that operating performance and business results are directly reflected in employee compensation, the Company's Articles of Incorporation stipulate that, when annual profits are generated, no less than 2% shall be allocated as employee remuneration. This includes a minimum of 0.36% designated for non-managerial staff, ensuring that our success is shared across the workforce. In 2025, the Company distributed performance bonuses based on actual operating results. Our evaluation process weighs annual job performance through both quantitative objectives and qualitative competencies. Furthermore, operational risk management and sustainability benchmarks are integrated into our appraisal criteria. These evaluation results are fundamentally linked to operating performance, corporate governance, and sustainable development, ensuring the robust implementation of our pay-for-performance principle.	No significant difference

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
			C. The Company annually budgets employee welfare-related expenses and provides welfare measures—such as club activity subsidies, contracted discount stores, and leisure travel subsidies—tailored to the individual characteristics of each plant area. We also coordinate with festivals and holidays to organize site decorations and themed activities. In addition, we occasionally hold movie appreciation events, festival activities, various soft lectures, Family Day events, and sports events. Furthermore, the plant area is equipped with facilities such as an employee cafeteria, welfare store, nursing room, gym, social center, and employee motorcycle parking lot, providing all employees with a complete and well-rounded working and welfare environment. D. The Company deeply values the well-being of our employees and their families. Since February 2023, we have implemented childbirth incentives to support growing families. Furthermore, we provide a monthly childcare subsidy for children from birth through age 6, along with education subsidies for employees and their children aged 6 and above, serving as a concrete commitment to family support. In 2025, the Company distributed a total of NT$3.87 million in childbirth, childcare, and education subsidies, benefiting 731 person-times. E. For detailed information regarding employee welfare measures and the retirement system, please consult pages 81–85 of this Annual Report.	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		(3) A. The Company is committed to providing a safe and healthy working environment for all employees. To that end, we have obtained ISO 14001 Environmental Management System certification (valid July 21, 2025 – May 19, 2028) and ISO 45001 Occupational Health and Safety Management System certification (valid May 20, 2025 – May 19, 2028). We have established Safety and Health Work Rules, formed a dedicated management organization, and appointed specialized occupational safety, health, and medical personnel to oversee and implement all related initiatives. Our regular safety and health programming includes general and site-specific training for new hires, health and hygiene education, fire drills, and triennial company-wide safety training. In 2025, these programs recorded 4,283 total attendances and 1,235 training hours. B. Occupational Health, Safety, and Environmental Protection Measures: Access Control: a) The Company has installed surveillance cameras and access control systems at all external entrances and exits, as well as critical internal operational areas, to maintain strict access protocols. b) Security personnel are stationed on-site 24 hours a day, supported by a nighttime patrol system to ensure the continuous security of the facility. Maintenance and Inspection of Equipment: a) In accordance with the Regulations Governing Building Public Safety Inspections and Declarations, a professional firm is retained every two years to conduct public safety	No significant difference

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
			inspections. b) Pursuant to fire safety regulations, fire inspections are conducted annually by external contractors. c) High-voltage and low-voltage electrical systems, elevators, fire-fighting equipment, and other safety assets are subject to regular maintenance and inspection. d) No major fire incidents occurred in 2025. Safety Protection: a) Critical machinery, equipment, and facilities are inspected on daily, weekly, monthly, and annual schedules in full compliance with applicable regulations. b) Prior to chemical use, the Company secures Safety Data Sheets (SDS) and ensures all labeling meets regulatory standards. SDS accuracy is continuously verified against actual conditions, with a mandatory review conducted at least every three years. c) Hazardous operations—including confined space entry, hot work, work at height, and mobile crane operations—are strictly controlled through a formal application and approval process prior to execution. d) Occupational safety and health are prioritized through the monthly provision of necessary personal protective equipment (PPE) to all relevant employees. e) A professional contractor is retained every six months to conduct occupational environment monitoring. This proactive measure prevents occupational hazards, limits exposure to physical and chemical risks, and safeguards the overall health of our workforce. f) The Environmental, Safety, and Health (ESH) unit performs at least one internal audit monthly, issuing corrective action requests for on-site findings to ensure all operations consistently adhere to occupational safety and health management requirements. C. Employee Physical and Mental Health Management: a) Beyond providing annual company-wide health examinations that exceed regulatory requirements, our occupational health nurses customize examination items based on each employee’s prior physical condition. For high-risk groups, the Company arranges additional follow-up screenings, occupational physician consultations, and targeted health education. b) To support mental health, a counseling psychologist provides on-site services once a month to promote overall employee well-being. Furthermore, nutritionist consultations, physical fitness activities, and health seminars are held occasionally to address diverse wellness needs. c) In 2025, through the “Workplace Combat Power Charging Station” series, four structured health seminars were conducted at the Kaohsiung and Taoyuan plants. These sessions covered a wide range of topics, empowering employees with evidence-based health knowledge and strengthening their self-health management capabilities.	

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
			D. Health Activity Achievements in 2025: a) Online Slow Jogging Challenge: A 28-day challenge attracted 435 participants, with 302 (approximately 70%) successfully completing all four weeks. This initiative effectively fostered a robust exercise culture across the Company. b) Group Weight Loss Competition: A total of 237 employees participated, achieving a collective weight loss of 785 kilograms over an 8-week period. Notably, 88% of participants recorded a weight reduction, and the average BMI decreased by 5%, significantly enhancing awareness of healthy body composition. c) Physical Fitness Activities: Supported by subsidies from the Sports Administration, we conducted technology-driven fitness assessments for 80 employees. Through professional evaluation and expert guidance, participants gained precise insights into their physical fitness and overall health status. d) Psychological Well-being & High-Workload Management: Through proactive management, the number of employees identified as "high-workload cases" in health questionnaires decreased by 25% year-over-year, demonstrating our success in supporting mental health and promoting overall well-being. e) Medical Subsidies & Vaccination: In 2025, the Company provided full subsidies for influenza vaccinations to 340 employees, effectively strengthening protection against seasonal influenza during the peak autumn and winter months. f) Women’s Health Screenings: A total of 99 female employees participated in cervical smear and mammography screenings, significantly improving early detection rates and promoting preventive health. E. Sports Culture and Social Responsibility Practices: The Company actively cultivates a sports-oriented culture and successfully maintained its “Sports Enterprise Certification” in 2025, reflecting our steadfast commitment to employee health. Furthermore, we advanced our social welfare initiatives by organizing joint blood donation drives at both the Kaohsiung and Taoyuan facilities, collecting a total of 150 bags (37,500 c.c.) of blood. This campaign integrated a unique “Disaster Preparedness Kit” program, which effectively raised health awareness, strengthened community care, and bolstered disaster readiness. Through these actions, the Company continues to demonstrate its unwavering commitment to corporate social responsibility (CSR). F. Sustainability and Green Transportation: To promote green mobility and champion environmental stewardship, the Company has implemented an electric scooter purchase subsidy program since 2024. This initiative is designed to reduce our carbon footprint and support sustainable development. As of 2025, the cumulative subsidies distributed have reached NT$760,000. G. Continuous Development of a Healthy and Safe Workplace Environment: To strengthen employees’ working environment and personal safety protection, the Company continues to	

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			enhance various facilities, including improvements to manufacturing work areas with the installation of access control systems, renovation of factory exterior walls, roofs, and restrooms, and installation of additional fire safety facilities within the plant area, among other infrastructure improvement projects.	
(4) Has the Company established effective career development training plans?	✓		(4) In 2025, the Company delivered a total of 901 training courses, with cumulative attendance reaching 37,158 person-times. Among these, 182 courses focused on leadership and professional competencies, involving 1,292 participations, showcasing the Company’s ongoing investment in employee professional growth. In alignment with its business strategy and sustainability goals, the Company formally introduced a competency framework in 2019 and established five major training pillars to comprehensively enhance employees’ career capabilities. These training areas include: A. To drive the execution of our corporate strategy, the Company designs annual training initiatives that align employee growth with our medium- and long-term objectives. In 2025, we utilized a high-coverage, long-cycle,and cost-efficient delivery model to solidify core job knowledge and critical competencies across the organization. This year's efforts were highlighted by the launch of 101 digital courses developed by our internal instructors, which successfully generated 10,370 training participations. B. Leadership Competency Training: To build a robust leadership talent pipeline, the Company implements tiered training programs tailored to each managerial level. By aligning content with specific competency requirements, we continue to sharpen our managers’ leadership vision and influence. In 2025, emphasizing both individual development and strategic perspective, we delivered a total of 464 training hours, reaching 1,061 training participations. C. Professional Competency Training: To elevate soft skills and drive peak performance, the Company has established professional competency standards across seven distinct job families. By leveraging our performance evaluation mechanism to identify specific competency gaps, we provide targeted training programs and diverse learning channels to fuel strategic talent development. Our 2025 results included 413 total training hours and 281 training participations. D. General Competency Training: The Company fosters a cross-functional learning environment by leveraging internal knowledge sharing and a structured instructor system. In 2025, we launched a workplace well-being initiative featuring 11 themed activities. These programs were designed to strengthen employees’ sense of belonging and resilience, successfully driving cross-plant interactions to 4,043 participations. E. Basic Training: Our basic training programs encompass new employee onboarding, occupational health and safety, regulatory compliance, and corporate culture initiatives. These programs ensure full compliance with legal requirements while reinforcing core competencies across our workforce. In 2025, we delivered 4,249 training hours, reaching 10,177 participations.	No significant difference

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>(5) Does the Company’s product and service comply with related regulations and international rules for customers’ health and safety, privacy, sales, labelling and set polices to protect consumers’ rights and consumer appeal procedures?</td><td>✓</td><td></td><td>(5) A. The Company has obtained ISO 27001 Information Security Management System certification and established Personal Data Protection Operating Standards. By integrating internal audits, external assessments, and robust risk prevention measures, we safeguard the confidentiality of customer data, corporate intelligence, and proprietary product technology.
B. To ensure product quality and the safety of our users, all manufacturing processes have obtained international certifications. Additionally, the Company maintains comprehensive product liability insurance to mitigate risk. Our current certifications are as follows:
<table>
<tr><th>Name of Certification</th><th>Validity Period</th><th>Remarks</th></tr>
<tr><td>ISO 9001:2015</td><td>2023/05/07 – 2026/05/06</td><td>Recertification audit scheduled for 2026/04/13–14</td></tr>
<tr><td>AS 9100 D</td><td>2024/08/30 – 2027/08/29</td><td>—</td></tr>
<tr><td>ISO 14001:2015</td><td>2025/07/21 – 2028/05/19</td><td>—</td></tr>
<tr><td>ISO45001:2018</td><td>2025/05/20 – 2028/05/19</td><td>—</td></tr>
</table>
C. Customers may provide feedback or submit complaints through multiple channels, including fax, email, telephone, or in-person communication during site visits. Under our "Customer Complaint Handling Procedures," the responsible business unit is mandated to respond within 8 hours of receipt. This initial response must include preliminary findings and a clear timeline for the submission of a comprehensive final report. Furthermore, we conduct customer satisfaction surveys semi-annually to evaluate product and service quality. These assessments also capture critical feedback across all production phases—from initial R&D and sampling to full-scale mass production. This proactive approach ensures we address concerns from the customer’s perspective, continuously sharpen our technical capabilities, and foster enduring, mutually beneficial partnerships.</td><td>No significant difference</td></tr>
<tr><td>(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?</td><td>✓</td><td></td><td>(6) A. The Company is deeply committed to corporate sustainability and responsible procurement. Through our "Sustainable Supply Chain Management Policy," we require all suppliers to actively address critical issues, including human rights, occupational health and safety, and environmental stewardship. In addition to maintaining the highest ethical standards and business integrity, suppliers must comply with international regulations prohibiting the use of "conflict minerals" (Note 2). By fostering innovation and collaboration, we aim to build a resilient and mutually beneficial supply chain, positioning the Company as a trusted, professional partner for our global customers.
B. The Company has implemented rigorous supplier management and evaluation policies. All suppliers are required to adhere to our "Supplier Management Procedures" and "Supplier Management Manual," and must formally execute the "Integrity and Self-Discipline Commitment Letter." Furthermore, we conduct regular performance evaluations based on</td><td>No significant difference</td></tr>
</table>

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
			environmental stewardship, occupational health and safety (OH&S), and labor and human rights standards. These evaluation results are utilized as critical performance indicators for supplier selection, risk assessment, and long-term retention. C. Supply Chain Management Practices of the Company: Supplier Evaluation: a) All suppliers are mandated to pass comprehensive evaluations and strictly adhere to our Supplier Code of Conduct. b) Suppliers must provide Safety Data Sheets (SDS), and all manufacturing processes are subject to hazard risk identification in alignment with product specifications. The Company maintains full compliance with global environmental and chemical regulations, including California Proposition 65, EU REACH, and RoHS, the Montreal Protocol, and all applicable national standards governing restricted or prohibited substances. Supplier Audits: Supplier evaluations are conducted quarterly in accordance with our "Supplier Evaluation Standards." These assessments ensure that suppliers meet our stringent criteria for product quality, delivery performance, pricing, service (including environmental and safety compliance), and R&D capabilities. Supplier Coaching: a) The Company institutionalizes monthly demand-supply synchronization (S&OP) with strategic suppliers to optimize capacity allocation and mitigate procurement risks. b) When suppliers experience significant quality or delivery issues, an improvement team is established, comprising the Company’s quality assurance and technical personnel as well as supplier representatives, to support improvements in quality, manufacturing processes, and quality management systems. c) For key suppliers and subcontractors, a TPS improvement team is formed to enhance efficiency and reduce costs.	
5. Does the Company refer to international reporting rules or guidelines to publish ESG Report to disclose non-financial information of the Company? Has the said Report acquire 3rd certification party verification or statement of assurance?	✓		A. The Company prepares its sustainability report in accordance with internationally recognized frameworks, including GRI, SASB, and TCFD. By systematically disclosing non-financial performance, we aim to enhance the transparency, comparability, and depth of our sustainability disclosures. B. Our sustainability report has obtained independent third-party assurance (including limited assurance), further strengthening the credibility and reliability of our disclosed data for all stakeholders.	No significant difference
6. If the company has established its corporate social responsibility code of practice according to “Listed Companies Corporate Social Responsibility Code of Practice,” please describe the operational status and differences: No significant difference				

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	Yes	No	Explanation	

7. Other important information to facilitate better understanding of the company's implementation of corporate social responsibility:

(1) The Company's human rights principle:

Goals	Implementations
Occupational Safety and Health	• FSP is certified by ISO14001 (environmental management systems) and ISO45001 (Occupational Health and Safety Management), therefore is able to provide safe occupational environment for our employees. • In accordance with "Occupational Safety and Health Act" and relevant laws, FSP retains full-time nurse and part-time medical doctors to provide medical service for on-site employees. • For all new recruits, FSP provides general physical examination before their on-board date. For every employee, FSP provides physical examination on a regular base which is more often and thorough than legally required. All the expenses for above physical examination are assumed by FSP. • FSP retains occupational safety engineers, medical doctors/nurses or nutritionists to host seminars on annual base, covering topics with regard to occupational safety and health.
Anti-Discrimination	• According to FSP "Work Rule", the process of the recruitment and its result should not be influenced by applicant's race, religious belief, gender, marital/reproductive status, age, political orientation, disability, sexual orientation, constellation, blood type or other factors which may create discrimination.
Forbiddance on Child-Labor	• According to FSP "Personnel Recruitment Operation Standard", in order to abide by corporate social responsibility and ethic codes, the age of all recruited personnel should be above 18 years old.
Anti-Force Labor	• According to FSP "Work Rule", it is forbidden to coerce or enslave employees in any form to work against their will.
Mental Health and Recreation	• FSP has established many clubs, such as hiking, badminton, golf, aerobic yoga, and also provides financial aids to maintain the operation of these clubs. FSP encourages its employees to participate club events, hoping this will bond and unite employees. • FSP hosts year-end banquet, Spring/Autumn tour, Christmas event, fun contests and other events to provide physical and mental relaxation and also to unite employees. FSP also sets up social lounge and gym for employees to bond, exercise and relax. • FSP hosts several inspirational forums a year and invites professional celebrities to deliver speeches to create a positive and enthusiastic occupational environment.

(2) For comprehensive details regarding the Company's climate-related strategy and performance, please refer to Note 3.

(3) Intellectual Property Management

To solidify its industry leadership and accelerate new business growth, the Company actively incentivizes technological and product innovation. In alignment with our annual operational and strategic objectives, we have implemented a robust intellectual property management plan focused on strategic global portfolio development. Our goal is to maximize IP asset value, establish technological barriers against competitors, and drive long-term profitability through a sustainable intellectual property ecosystem.

A. Patent Protection

a) Strategic Patent Filing: In alignment with our operational strategy and R&D roadmap, we strategically file patent applications to secure competitive advantages in core technologies and ensure the comprehensive protection of our R&D innovations.

b) Patent Gazette Monitoring: To mitigate intellectual property risks and remain at the forefront of industry trends, the Company proactively monitors patent gazettes across key global regions. This systematic surveillance prevents unintentional infringement of third-party IP while allowing us to track technological advancements and fortify our R&D foundation.

Assessment Item	Implementation Status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	

c) Freedom to Operate (FTO) Assessment: Reflecting our commitment to innovation and market-driven product development, we conduct rigorous patent reviews during the R&D stage. These assessments are designed to effectively mitigate infringement risks and safeguard our ongoing business operations.

B. Trademark Management: In alignment with our global expansion strategy, the Company actively develops its trademark portfolio to enhance brand equity and drive product value. By implementing rigorous controls to ensure the proper and effective use of trademarks across all business operations, we safeguard our intellectual property rights while continuously strengthening brand recognition and corporate reputation in the international market.

C. Trade Secret Protection: Trade secrets are fundamental to the Company's competitive edge, underpinning our technological leadership and long-standing customer trust. Our Trade Secret Management System is deeply integrated across all key functions, including R&D, administrative operations, information systems, Human Capital, and outsourced partnerships. By implementing multi-layered confidentiality protocols, the Company fortifies customer confidence and robustly safeguards its core business interests.

D. Implementation Results: The Company's intellectual property management results are reported to the Board of Directors at least annually to ensure effective executive oversight. The key achievements for 2025 were formally presented to the Board on December 24, 2025.

As of November 30, 2025, our cumulative intellectual property milestones are summarized below:

Patent Rights:
a) Since its inception, the Company has secured a cumulative total of 1,004 granted patents worldwide. Our strategic portfolio spans key global markets and manufacturing hubs, including Taiwan, the United States, Japan, the European Union, Mainland China, Vietnam, and Thailand. Notably, 478 of these are invention patents. These patented technologies primarily cover high-performance golf equipment, baseball bats, titanium tableware, sports protective gear, precision hardware, carbon fiber products, hand tools, and automotive/motorcycle components—establishing a formidable technological moat.
b) In 2025, the Company (including its subsidiaries) was granted 29 new patents, with a regional breakdown of 18 in Mainland China, 9 in Taiwan, 1 in Vietnam, and 1 in Thailand.
c) In Q1 2025, the Company completed the acquisition of Proxene Tools Co., Ltd., which currently holds 40 valid patents, including 22 invention patents, further expanding our technical capabilities.

Trademark Rights: The Company's trademark portfolio is strategically anchored in Taiwan, Mainland China, and Vietnam. It encompasses the core FSP trademark alongside our proprietary brands, including Ti-Yi, CROSSPACE, Alloy, and Proxene. To date, a total of 135 trademarks have been successfully registered. By integrating a comprehensive trademark strategy with proactive marketing initiatives, we continue to reinforce brand recognition and maximize long-term brand equity.

(4) ESG Action Plan and Performance Results

The Company drives its ESG initiatives through four strategic pillars: Environmental Protection, Cultural Promotion and Social Contribution, Sports Development, and Sustainable Governance. This structured approach has yielded measurable and concrete results. The ESG implementation plan and its corresponding outcomes for 2025 are detailed below:

A. Environmental Protection (E)

a) To promote marine conservation, the Company hosted two beach clean-ups paired with environmental education sessions in 2025. These initiatives successfully removed between 550 and 650 kg of waste (comprising 178 bags, totaling 13,528 liters). The events drew 636 participants, including 500 employees and 136 family members. To further instill sustainability values within the community, we also conducted on-site waste sorting demonstrations and educational activities.

b) The Company is actively driving a low-carbon transition by adopting high-efficiency equipment and implementing an Energy Management System (EMS) for precise monitoring. We are also consistently expanding our renewable energy footprint. In 2025, the Company invested NT$18.29 million into these efforts, resulting in the generation of 4,466,592 kWh of clean electricity.

c) In support of the "Taoyuan Water Affairs Bureau Daren Detention Pond Green Donation Initiative," the Company contributed to a critical project launched in July 2022 to mitigate flooding along Dongmen Creek and protect the Guishan Industrial Park and its neighbors. With the project's completion in October 2025, and as a proud member of the Guishan Industrial Park community, the Company honored its commitment to social responsibility by donating 150 plants during 2025 to help green the new infrastructure.

B. Cultural Promotion and Social Contribution (S)

a) The Company has a long-standing commitment to ESG, with a specific focus on promoting character education and sustainability. In a unique collaboration with Golden Tripod Award-nominated author Yan Chih-Hao, we co-created the educational picture book, The Monster That Eats Wind. This initiative integrates "character education" with "sustainability," introducing these concepts to schools and the public to

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bolster children's reading literacy, psychological resilience, and environmental stewardship. In 2025, we donated over 3,000 copies to elementary schools, public libraries, and nonprofits throughout Taiwan, supporting campus literacy programs with a total investment of NT$3.02 million.

b) To champion domestic cultural development, the Company has partnered with the Shuiyuan Village Theater since 2019, sponsoring three major public performance series. These efforts aim to spark children's creativity through drama, foster positive values, and cultivate a lifelong appreciation for the arts. In 2025 alone, the Company sponsored three public performances, investing a total of NT$950,000.

c) Beyond our core business, the Company is dedicated to social responsibility through active charitable giving. In 2025, the Company donated NT$3 million to support relief efforts following the Hualien Mataian Creek landslide dam disaster, providing essential aid to the affected region.

d) The Company continues to serve seniors and disadvantaged groups through rural winter relief programs, material donations, and anti-fraud awareness campaigns. We also organized the "Life Begins at 70 · Active Living" series, which included fishing village excursions, croquet, Tai Chi, DIY workshops, and farm activities to promote physical health and social engagement for seniors. In 2025, we hosted 18 such activities, benefiting a total of 754 participants.

C. Sports Development and Youth Development (S)

a) The Company is a dedicated supporter of Taiwan's baseball ecosystem. In 2025, we hosted two "Charity Baseball Day" events, inviting 49 elementary students from rural communities to experience the excitement of professional baseball games. Additionally, we organized a two-day, one-night summer camp for 20 participants. These initiatives provide rural youth with invaluable opportunities to ignite their passion for sports and encourage them to pursue their athletic dreams.

b) To advance youth sports, the Company assists young athletes in refining their skills and competing at higher levels. In 2025, in a joint effort with the CPBL TSG Hawks, we donated 186 baseball bats. Furthermore, in collaboration with our subsidiary, Minson Integration Co., Ltd., we provided 192 baseball bats and 72 helmets to eight different schools, ensuring student-athletes have the quality gear they need to succeed.

c) Through our "GOLF Star Seed Program," the Company provides long-term sponsorship to promising young golfers. By alleviating the financial burden of training and competition fees, we enable these athletes to focus entirely on their development and strive for excellence. In 2025, the Company invested approximately NT$520,000 in these resources.

d) The Company actively drives technological innovation and talent development through robust industry–academia partnerships. In collaboration with various universities and vocational schools, we host campus recruitment events, corporate briefings, expert lectures, and career seminars. These initiatives not only boost our brand awareness and student engagement but also bridge the gap between classroom learning and professional practice. In 2025, 350 students benefited from these programs, gaining enhanced employability and a clearer career path.

D. Sustainable Governance (G)

In compliance with regulatory requirements, the Company has publicly disclosed its sustainability initiatives and measurable performance, encompassing environmental protection, social contribution, and sports promotion. We remain dedicated to strengthening our sustainability management framework and are currently aligning our practices with future IFRS S1 and S2 disclosure requirements to further enhance our ESG governance foundation.

In 2025, the Company achieved meaningful progress across all ESG dimensions, including measurable environmental outcomes, ongoing community engagement, youth sports achievements, and enhanced governance transparency. Looking ahead, the Company remains committed to advancing its sustainability initiatives and expanding its positive impact on both the environment and society.

Note 1: The materiality principle refers to ESG issues that have a significant impact on the Company's investors and other stakeholders.

Note 2: Conflict minerals refer to tantalum, tin, tungsten, and gold that are illegally sourced by armed groups in the Democratic Republic of the Congo and its neighboring regions through human rights abuses, including forced labor and child labor, and used to finance armed conflict.

Note 3: The Company's climate-related information is as follows:

Assessment Item	Implementation Status
1. Please describe board of members and management team's oversight and governance of climate-related risks and opportunities.	**Board of Directors** The Board of Directors serves as the highest governing authority for the Company's climate-related management. Its mandate includes establishing the overarching strategic direction for climate change, greenhouse gas (GHG) management, and energy policy, while maintaining regular oversight of implementation results. To ensure sustained progress, the Board reviews the Group's GHG inventory and verification plans on a quarterly basis. **Senior Management Team** Chaired by the General Manager, the senior management team is tasked with formulating and executing strategies and action plans pertaining to climate change, GHG management, and energy efficiency. The team monitors implementation progress and carbon reduction performance on a monthly basis to ensure strict alignment with corporate sustainability goals. **Management Departments** The Company has established a dedicated cross-site energy-saving and carbon reduction task force to serve as the primary internal execution unit. This task force is responsible for the practical implementation of climate and sustainability initiatives. Key responsibilities include the monitoring and reporting of GHG emissions, developing reduction initiatives, optimizing energy efficiency, managing energy costs, and accelerating the adoption of renewable energy.
2. Please describe how the climate risks and opportunities impact the company's sines, strategy and finances (short-term, medium-term, long-term).	The Company, as a foundation for financial risk management, takes into consideration both short-term and long-term perspectives. We analyze factors such as the company's development direction, regional policies and regulations, business relationships within the value chain, technology, and substantial climate factors mentioned in the IPCC's Sixth Assessment Report. **(1)Short-term:** ◆ Extreme Weather Events: Climate change may lead to extreme weather events such as storms, floods, or droughts. These events could result in production disruptions, supply chain interruptions, or property losses, thereby affecting business operations and financial conditions. ◆ Energy Costs: Climate change may lead to fluctuations in energy prices, posing risks of increased energy costs. **(2)Mid-term:** ◆ Regulatory Requirements: Increased government attention to climate change issues has led to stricter regulatory requirements. These requirements may necessitate companies to reduce greenhouse gas emissions or implement other environmental measures, which could increase operating costs or require adjustments to business models. ◆ Changes in Consumer Behavior: Increased consumer concern about climate change may lead to greater demand for eco-friendly products and services. The Company must continuously refine its product portfolio and brand positioning to align with shifting consumer preferences. Failure to adapt to these evolving demands could adversely impact our competitive standing and result in a loss of market share. **(3)Long-term:** ◆ Uncertainty in Resource Supply: Climate change may lead to increased uncertainty in the supply of natural resources such as water. It's necessary to assess the sustainability of these resources and consider corresponding risk management and diversification strategies. ◆ Adjustments for value : With the increase in climate risks and growing environmental awareness, investors are paying more attention to the sustainability of companies and their environmental impact. The Company must evaluate the long-term impacts of climate-related risks and opportunities on its business operations and financial performance to effectively meet investor expectations. Integrating these considerations into our strategic planning ensures institutional resilience and long-term value creation for our stakeholders.

3. Please describe the financial impact of extreme climate events and transition actions.	**Impact of Extreme Weather Events:** ◆ Production Interruption: Extreme weather events such as storms, floods, or droughts may lead to production interruptions, thereby affecting the revenue and profit of the company. ◆ Asset Loss: Extreme weather events may result in property damage, such as equipment damage, facility destruction, or inventory losses. ◆Supply Chain Disruption: Extreme weather events may disrupt supply chains, including transportation interruptions, supplier delivery delays, and logistics challenges. Such disruptions may affect production and delivery capabilities, thereby impacting the Company's revenue. **Impacts of Transition Actions:** ◆ Loss in investment : Transition actions such as reducing greenhouse gas emissions or shifting towards renewable energy may require corresponding investments by companies. These investments include equipment upgrades, technological transformations, or energy transitions, increasing the operational costs of the company. ◆ Regulatory Compliance Costs: Increased government attention to climate change issues may lead to changes in related regulations. ◆ Changes in Market Demand: Increased consumer demand for environmentally friendly products and services may prompt companies to adjust their product portfolios and market positioning.
4. Please describe How climate risk identification, assessment and management processes are integrated into the overall risk management system.	1. Risk Identification: We have identified key climate-related risks that could impact our operations, including extreme weather events, supply chain and resource vulnerabilities, regulatory shifts, and evolving consumer behavior. To pinpoint these factors, the Company conducts rigorous internal and external environmental scans, leveraging data-driven insights to stay ahead of potential risks. 2. Impact and Opportunity Assessment: Assessing how climate risks intersect with our business strategy and financial health is a top priority. Our approach combines quantitative modeling with qualitative insights, focusing on financial forecasting, supply chain stress testing, and shifts in customer buying patterns. Beyond risk, we actively evaluate strategic opportunities, such as the expanding market for eco-friendly products and sustainable services. 3. Risk Management Strategy: Based on our findings, we have developed a robust strategic framework centered on four pillars: risk avoidance, mitigation, transfer, and acceptance. For example, we are actively reducing our climate sensitivity by building more resilient supply chains and investing in R&D to deliver the innovative, green solutions our customers now demand. 4. Implementation and Monitoring: In full alignment with IFRS S2 and TCFD standards, the Company has deployed dedicated implementation plans and oversight mechanisms. We don't view this as a one-time task; rather, we conduct periodic reviews to ensure our strategies remain effective as new risks emerge and market conditions evolve. 5. Integration with Enterprise Risk Management (ERM): Climate risk management is not a standalone effort—it is deeply embedded within our overall Enterprise Risk Management (ERM) system. By syncing climate data with our business continuity planning (BCP) and corporate governance, we ensure that sustainability is woven into our strategic DNA. This integrated approach is driven by our senior leadership to ensure total alignment with our long-term business goals.
5. Using scenario analysis to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	**Scenario:** The main plant is located in the low-lying area of the Guishan Industrial Zone and needs to prevent the impact of heavy rainfall or typhoon-related flooding. **Parameters:** The frequency and extent of damage caused to production facilities, supply chains, and assets by heavy rainfall or typhoon-related flooding.

	Assumptions: Due to drastic climate change, the area experiences heavy rainfall or typhoon-related flooding every year. **Analysis factors:** The specific number of instances of production interruptions due to heavy rainfall or typhoon-related flooding. **Major financial impacts:** It may lead to production interruptions, reducing revenue and profit. Additionally, facility damage may require repair or replacement, increasing the company's costs. **Measures :** (1) The company has formulated emergency plans with sufficient emergency supplies and backup equipment to address the impacts during flood periods. (2) The company conducts annual staff disaster response training, providing relevant training and guidance to ensure they can respond to disaster situations. (3) The company has installed flood control systems to mitigate flood impacts and reduce related financial risks. (4) The company has taken out relevant risk insurance to further mitigate financial losses. (5) Through feedback, the Industrial Zone Management Center has improved the drainage system. Results of climate resilience enhancement: There were zero climate-related production disruptions from 2022 through 2025.
6. Please describe the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	To proactively manage climate-related risks, the Company has established four key transformation initiatives alongside specific decarbonization targets across short-, medium-, and long-term horizons. Please refer to Table 1-2 below.
7. Internal carbon pricing and its standard for evaluation.	The Company employs a shadow pricing mechanism as its internal carbon evaluation tool. This price is derived from a comprehensive assessment of carbon market trends and regulatory frameworks across our primary production hubs, including Taiwan, Mainland China, and Vietnam. For the purposes of strategic evaluation, we have established an internal shadow carbon price of USD 15 per metric ton.
8. Please describe the scope of greenhouse gas emissions, planning schedule, annual achievement progress and other information; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and amount of carbon reduction credits offset should be explained.	The reporting scope for direct and indirect energy emissions aligns with the 'Sustainable Development Roadmap for Listed Companies' issued by the Financial Supervisory Commission in March 2022. Our main entities (including the Taipei headquarters, and the Taoyuan and Kaohsiung plants) are categorized under Phase 3, which mandates GHG inventory completion by 2026 and verification by 2028. Our subsidiaries fall under Phase 4, with inventory and verification scheduled for 2027 and 2029, respectively. Notably, the parent company has already successfully finalized its GHG inventory and third-party verification ahead of this regulatory schedule. All subsidiaries are progressing steadily and remain in full alignment with their prescribed compliance timelines. For further details, please refer to Tables 1-1 and 1-2 below.
9. Greenhouse gas inventory and assurance, reduction targets, strategies and action plans (Please refer to below table 1-1an 1-2)。	(1) Assurance：In 2025, the parent company’s GHG emissions were verified by AFNOR Group in accordance with the ISO 14064-3 standard. The assurance engagement resulted in a 'Reasonable Assurance' opinion for Scope 1 and Scope 2 emissions, and a 'Limited Assurance' opinion for Scope 3 emissions. (2) Reduction target: the carbon emission intensity of a single product will be reduced by 10% in 2025 and by 20% in 2030. The long-term goal is to work towards net-zero emissions by 2050. (3) Reduction strategies: four major transformations of energy, technology, industry, and life (seven major strategies) (4) Action plan: The company's general manager personally leads and supervises the carbon reduction plan and its implementation effectiveness .Please refer to table 1-2.

1-1 Greenhouse Gas Inventory and Assurance Status

1-1-1 Greenhouse Gas (GHG) Inventory

Please describe Emissions (Metric tons of CO2e), Intensity (Metric tons of CO2e per million dollars), and Data Coverage Scope for the Past Two Years.

Unit：Metric ton ,CO2e

Year	Location	Scope 1	Scope 2	Subtotal Emissions (Metric tons of CO2e)	Total Emissions (Metric tons of CO2e)	Carbon Intensity (Metric tons of CO2e per million dollars of revenue)	Assurance	Assurance status
2024	Taipei office	0	5.8878	5.8878	23,664.7008	1.0652	AFNOR INTERNATIONAL	In 2024, the total greenhouse gas emissions for Scope 1 and Scope 2 were 23,664.7008 metric tons of CO2e. The assurance was conducted by an assurance provider in accordance with ISO 14064-3 standards, and the assurance opinion concluded was reasonably assured.
	Taoyuan plant	5,967.6814	16,714.3912	22,628.0726				
	Kaohsiung plant	11.5632	965.1772	976.7404				
2025	Taipei office	0	4.4239	4.4239	20,699.978	0.9064	AFNOR INTERNATIONAL	In 2025, the total greenhouse gas emissions for Scope 1 and Scope 2 were 20,699.978 metric tons of CO2e. The assurance was conducted by an assurance provider in accordance with ISO 14064-3 standards, and the assurance opinion concluded was reasonably assured.
	Taoyuan plant	4420.4135	15346.3188	19766.7323				
	Kaohsiung plant	12.4323	916.3899	928.8222				

Remark 1：Direct GHG Emissions (Scope 1)、Energy Indirect GHG Emissions (Scope 2)

Remark 2：The scope of direct emissions and energy indirect emissions data is conducted according to the 'Roadmap for Sustainable Development of Listed Companies' issued by the Financial Supervisory Commission in March 2022. Our company (Taipei headquarters, Taoyuan plant , Kaohsiung plant) is required to complete the inventory by 2026 and verification by 2028,however, our company has completed the inventory and verification ahead of schedule in 2023.

Remark 3：The standards of greenhouse gas inventory：According to International Organization for Standard-ization announcement -ISO 14064-1。

Remark 4：Greenhouse gas emissions: Calculated and disclosed based on revenue per unit of product.

Remark 5：The parent company achieved record-breaking revenue in 2022, followed by its second-highest historical performance in 2025. Notably, carbon emission intensity fell to 0.9064 in 2025, representing a significant 15% reduction from the 1.0652 recorded in 2024.

1-1-2 Assurance Information

Explanation of Assurance Status for the Past Two Years, including the scope of assurance, assurance provider, assurance standards, and assurance opinions.

(1) In 2024, the total greenhouse gas emissions for Scope 1 and Scope 2 were 23,664.7008 metric tons of CO2e. The assurance was conducted by an assurance provider in accordance with ISO 14064-3 standards, and the assurance opinion concluded was reasonably assured.

(2) In 2025, the total greenhouse gas emissions for Scope 1 and Scope 2 were 20,699.9780 metric tons of CO2e. The assurance was conducted by an assurance provider in accordance with ISO 14064-3 standards, and the assurance opinion concluded was reasonably assured.

1-2 Gas Reduction Targets, Strategies, and Specific Action Plans:

Please describe the baseline year and data for greenhouse gas reduction, the reduction targets, strategies, and specific action plans, as well as the progress in achieving the reduction targets.

(1) According to the 'Roadmap for Sustainable Development of Listed Companies' issued by the Financial Supervisory Commission in March 2022, the parent company is classified in the third stage (to complete the inventory by 2026 and verification by 2028), and the subsidiary is classified in the fourth stage (to complete the inventory by 2027 and verification by 2029). Our company will conduct greenhouse gas inventory and verification in accordance with relevant regulations.

(2) Baseline year for greenhouse gas emissions: The results of the first verification will be used as the baseline year. The baseline year for the parent company is 2022.

(3) Target of reduction：In 2025, the carbon emission intensity per unit product in Scope 1 and Scope 2 will be reduced by 10%, and by 2030, it will be reduced by 20%. The long-term goal is to strive for net-zero emissions by 2050.

(4) Strategy：

The company has formulated and is actively implementing four major transformations with 7 strategies:

	1.Energy	2.Technology	3. Industry	4. Lifestyle
Strategy	Strategy 1: Increase the use of green energy	Strategy 2: Energy-saving equipment	Strategy 4 :Establish a sustainable supply chain	Strategy 7 : Promote green actions for everyo
		Strategy 3:Develop advanced low-carbon processes	Strategy 5: Expand the circular economy	
			Strategy 6: Strengthen carbon emission management	

(5) Action plan:

- Continue to build photovoltaic systems.
- Continue to improve the energy efficiency of equipment (e.g., replacing various equipment such as lighting systems, air conditioning systems and so on.
- Continue to create high-efficiency and intelligent low-carbon production lines.
- Sustainable risk management of the supply chain.
- Advancing our Circular Economy framework from 3R to 5R (Reduce, Reuse, Recycle, Repurpose, and Redesign) for optimized material management.
- Accelerate carbon inventory and establish a carbon management mechanism.
- Promote various green activities.

(6) Implementation status:

The company's general manager personally leads and supervises the carbon reduction plan and its implementation effectiveness every month.

Carbon emissions (Unit:kg CO2e/pcs)

	2021	2022	2023	2024	2025
Goal	2.84	2.70	2.55	2.27	2.13
Target of reduction	-	5%	12.3%	20%	25%
Actual	2.60	2.61	2.45	2.23	2.12
Implementation Status	Achieved	Achieved	Achieved	Achieved	Achieved

Remark: The unit carbon emissions of products in this table are the total carbon emissions of Scope 1 and Scope 2 of the Taoyuan plant/the total equivalent number of products.

2.3.6 Operation Status of the Ethical Corporate Management and the discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the causes:

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
(1) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(1) The Company has formally established the 'Integrity Management Operating Procedures and Code of Conduct,' as ratified by the Board of Directors. This integrity policy is explicitly integrated into our internal regulations and external disclosures, reflecting a steadfast commitment from both the Board and executive management to its rigorous implementation.	No significant difference
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	✓		(2) The Company has set up the whistle blowing system and related disciplinary measures and complaints according to the Company's "Procedures for Ethical Management and Guidelines for Conduct".	No significant difference
(3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	✓		(3) The Company has established "Anti-corruption Policy" and the "Work Rule" to prevent unethical conduct and signed the Statement of Ethic with our trading counterparties.	No significant difference
2. Ethic Management Practice				
(1) Whether the company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		(1) The Company evaluates the credit of our trading counterparties, performs supplier assessment and signs the Statement of Ethic to avoid unethical conduct.	No significant difference
(2) Whether the company has set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	✓		(2) The Company has designated the Human Capital Department as the primary function responsible for fostering corporate integrity. To ensure executive oversight, this unit reports directly to the Board of Directors at least once annually; the implementation status for 2025 was formally presented to the Board on November 12, 2025. To embed ethical standards into our corporate culture, the Company conducts bi-annual training and awareness sessions. In 2025, these sessions were held during expanded management meetings on January 3 and June 4, reaching a total of 574 participants. Educational materials are consistently accessible via internal platforms and bulletin boards, empowering employees to integrate integrity requirements into their daily operations. Furthermore, the importance of ethical conduct is	No significant difference

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
			regularly emphasized to Directors and senior management during Board and internal strategy meetings, ensuring a comprehensive understanding of our preventive measures and the consequences of non-compliance. The Company maintains a zero-tolerance policy toward unethical behavior and encourages the reporting of any misconduct through multiple established whistleblowing channels. These channels provide stakeholders with direct access to designated contact points under clear, confidential handling procedures. In 2025, no internal or external whistleblowing reports were received, and no material incidents of unethical conduct occurred.	
(3) Whether the company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(3) The Company has established "Procedures for Ethical Management and Guidelines for Conduct", "Anti-corruption Policy" and "Procedure for Board of Directors Meetings": 1) The "Procedure for Board of Directors Meetings" and "Procedures for Ethical Management and Guidelines for Conduct" regulate the recusal policy. When a Company director, supervisor, officer or other stakeholder attending or presenting at a board meeting, or the juristic person representing thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. 2) The Company's "Procedures for Ethical Management and Guidelines for Conduct" and "Anti-corruption Policy" regulate the ethical behavior of the Management Team and the employees, to avoid providing or accepting improper benefits, conflict of interest and disclosure of confidential information. 3) The Company's website provides a contact method, set up an internal whistleblowing mailbox and improvement proposal system to take advice from the inside and outside.	No significant difference
(4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	✓		(4) The Company has established accounting and internal control system. The Internal Auditors formulate annual audit plans based on the results of the risk assessment and subsequently report its audit findings and remedial issues to the Board of Director periodically. In addition, to ensure the effectiveness of the internal control system and build up proper corporate	No significant difference

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Explanation	
			governance and risk control, we review and amend the process annually as the basis of our Statement of Internal Control System.	
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?	✓		(5) The status of the implementation of the Company's ethical conduct in 2025: 1) Two specialized training sessions were held on January 3 and June 4, 2025, specifically for Directors, management, and employees. These sessions focused on the 'Handling of Material Inside Information' and 'Prevention of Insider Trading.' With a total of 574 participants recorded, the training provided essential guidance on maintaining market integrity. To ensure comprehensive coverage, all course materials were subsequently published on internal digital platforms and bulletin boards for ongoing reference. 2) Relevant departments actively participated in external compliance training programs, accumulating a total of 132 professional training hours in 2025.	No significant difference
3. Implementation of Complaint Procedures (1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	✓		(1) The Company has established "Anti-corruption Policy", "Procedures for Ethical Management and Guidelines for Conduct" and "Codes of Ethical Conduct" and designates Legal Department and Human Resource Department as the responsible units.	No significant difference
(2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	✓		(2) The Company has set up whistleblowing mailbox and improvement proposal system to take advice from the inside and outside. (No complaints received in 2025)	No significant difference
(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	✓		(3) The Company has regulated the measures to protect the whistleblowers from improper treatment in the "Procedures for Ethical Management and Guidelines for Conduct"	No significant difference
4. Information Disclosure Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	✓		The Company has disclosed the "Procedures for Ethical Management and Guidelines for Conduct" on the company website and MPOS, and act accordingly.	No significant difference
5. If the company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: No significant difference.				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy): None.				

2.3.7 Shall there be any principle of corporate governance and related regulation established by the Company, the inquiry means shall be disclosed: None.

2.3.8 The implementation status of the internal control system should disclose the following matters:

1. Internal Control Statement: Please refer to http://mops.twse.com.tw) for inquiries.
2. Those who entrust accountants to conduct special audits of internal control systems should disclose the accountant's audit report: None.

2.3.9 Important resolutions of the Shareholders' Meeting and the Board for the recent year up to the publication date of the annual report:

2.3.9.1. Important resolutions of the Shareholders' Meeting and the implementations

Date	Important resolution and the implementations
06.19.2025	Report Items 1) The Company's 2024 Business Report. 2) Audit Committee's Review Report for 2024. 3) Distribution of employees' and directors' compensation in 2024. 4) Endorsements and guarantees provided to others as of December 31, 2024. 5) Compensation paid to directors and independent directors in 2024. 6) Status report on the issuance of domestic unsecured convertible bonds. 7) Communication among independent directors, the head of internal audit, and CPAs. Acknowledged Matters 1) Approval of the Company's 2024 Business Report and Financial Statements Implementation Status: All relevant documents have been filed with the competent authorities and publicly disclosed in accordance with the Company Act and applicable regulations. 2) Approval of the Company's 2024 Distribution of Earnings Implementation Status: The ex-dividend record date was July 13, 2025, and the cash dividend payment date was July 31, 2025 (NT$19.7 per share). Discussion Items 1) To revise the Company's "Rules of Procedure for Shareholders' Meeting" Implementation Status: The company updated the rules and started following the new procedures. 2) To remove the non-compete restrictions for the Company's directors. Implementation Status: The company followed the resolution and put this into effect. 3) To revise the Company's "Articles of Incorporation" Implementation Status: The company updated the Articles and they are now in effect.

2.3.9.2. Important resolutions of the Board of Directors

Date	**Important Resolutions**
01.10.2025	1. Approval of the 2024 management year-end bonus proposal. 2. Resolution to remove non-compete restrictions for the Company's management. 3. Resolution to remove non-compete restrictions for the Company's directors.

Date	Important Resolutions
03.11.2025	1. Approval of the tender offer for common shares of Proxene Tools Co., Ltd. 2. Approval of the change of Chief Information Security Officer (CISO). 3. Approval of the 2024 Employee and Director Remuneration Distribution. 4. Adoption of the 2024 Business Report and Financial Statements. 5. Approval of the 2024 earnings distribution proposal. 6. Adoption of the 2024 internal control assessment and "Internal Control System Statement". 7. Approval of the Amendments to Certain Provisions of the "Articles of Incorporation" 8. Approval of arrangements for the 2025 Annual General Meeting (AGM). 9. Approval of the change of the Company’s external auditors. 10. Approval of credit facility applications from Citibank and other financial institutions. 11. Approval to provide a guarantee for Extensor World Trading Limited’s bank financing. 12. Approval to provide a guarantee for FS-Precision Tech Co., LLC’s bank financing. 13. Approval to issue a Letter of Support for Vision International Co., Ltd.’s bank financing. 14. Resolution to set the record date for new share issuance upon bond conversion.
04.01.2025	1. Approval of the Company’s second issuance of domestic unsecured convertible bonds.
05.08.2025	1. Approval of the consolidated financial statements for the first quarter of 2025. 2. Renewal of the Directors and Officers (D&O) Liability Insurance. 3. Approval of the Capital Change for the Conversion of the First Domestic Unsecured Convertible Bonds into Ordinary Shares. 4. Approval of the Non-Assurance Services to be Provided by Ernst & Young and its Affiliates. 5. Approval of the Capital Increase in Vietnam Subsidiary Vision International Co., Ltd. to Acquire Land Use Rights and Factory Buildings from Wimbledon International Co. Ltd for Plant Expansion 6. Approval of the Application for Credit Facilities from the Export-Import Bank of the Republic of China and Other Financial Institutions
06.18.2025	1. Approval of the Capital Increase in Subsidiary Gainsmart Group Ltd. and the Subsequent Re-investment in Subsidiary FS-North America, Inc. and its Subsidiary FS-Precision Tech Co., LLC (collectively, the “FS-NA Group”)
08.14.2025	1. Approval of the change of the Company’s Chief Information Security Officer (CISO). 2. Review and Approval of the 2025 Q2 Consolidated Financial Statements 3. Adoption of the 2024 Sustainability Report. 4. Approval of the credit facility application from Yuanta Commercial Bank. 5. Approval of the Capital Increase in Aubo (Chongqing) Optoelectronics Co., Ltd. by the Company’s 52.5%-owned Subsidiary, Zhongshan Aubo Precision Technology Co., Ltd.
09.18.2025	1. Approval of the 2024 employee compensation distribution for the Company’s management. 2. Approval of credit facility applications from CTBC Bank and other financial institutions. 3. Approval to provide a guarantee for Extensor World Trading Limited’s bank financing application. 4. Approval to issue a Letter of Support for Vision International Co., Ltd.’s bank financing application. 5. Approval of the Provision of Guarantees to Alloy Seiko Industry (SZ) Co., Ltd. and Alloy Seiko Technology (Jiangsu) Co., Ltd. for Credit Facilities 6. Approval to provide a guarantee for NFT Technology Co., Ltd. for its financing application.
11.13.2025	1. Approval of the consolidated financial statements for the third quarter of 2025. 2. Amendments to the Company’s "Internal Control System." 3. Approval of credit facility applications from ANZ Bank and other financial institutions. 4. Approval to provide a guarantee for Extensor World Trading Limited’s bank financing. 5. Approval to provide a guarantee for World Gate Holdings Ltd.’s bank financing. 6. Approval to issue a Letter of Support for Vision International Co., Ltd.’s bank financing. 7. Approval of the provision of loans to Ming Fa Cheng Enterprise Co., Ltd. 8. Approval of the provision of loans to the subsidiary, Vision International Co., Ltd.
12.24.2025	1. Adoption of the 2026 Business Plan and Financial Budget (including capital expenditures). 2. Approval of the 2026 Internal Audit Plan. 3. Assessment of the independence and suitability of the Company’s external auditors. 4. Appointment of the Company’s external auditors and the determination of their remuneration. 5. Approval of the credit facility application from Taishin International Bank. 6. Approval to provide a guarantee for World Gate Holdings Ltd.’s bank financing. 7. Approval to provide a guarantee for NFT Technology Co., Ltd.’s bank financing. 8. Approval of the purchase and implementation of the Group’s ERP system.

Date	Important Resolutions
01.30.2026	1. Approval of the 2025 year-end bonus proposal for the Company's management. 2. Adoption of the newly established "Employee Compensation Distribution Measures." 3. Proposal to provide existing shares for over-allotment by the lead underwriter, within a limit of 15% of the shares offered for public underwriting, in coordination with the subsidiary Minson Integration Inc.'s application for OTC listing.
03.10.2026	1. Approval of the 2025 compensation distribution for employees and directors. 2. Adoption of the 2025 Business Report and Financial Statements. 3. Approval of the 2025 earnings distribution. 4. Assessment of the effectiveness of the internal control system and approval of the "Internal Control System Statement" for 2025. 5. Approval of credit facility applications from Citibank and other financial institutions. 6. Approval to provide a guarantee for Extensor World Trading Limited's bank financing. 7. Approval to issue a Letter of Support for Vision International Co., Ltd.'s bank financing. 8. Re-election of all Directors. 9. Nomination of candidates for Directors and Independent Directors. 10. Removal of non-compete restrictions on newly elected Directors and their representatives. 11. Matters relating to the convening of the 2026 Annual General Meeting of Shareholders.

2.3.10 For the recent year and up to the publication date of the annual report, dissents of any director or supervisor to the key resolutions of the Board, with records or written statements, and the descriptions: None

2.4 Information Regarding the Company's Audit Fee

2.4.1 Information Regarding the Company's Independent Auditor and Fee

Unit: NT$'000

Accounting Firm	Name of CPA	Period Covered	Audit Fee	Non-Audit Related Fee	Total	Note
Ernst & Young	Chiao-Ying Chang	01.01.2025 to 12.31.2025	4,355	785	5,140	-
	Tzu-Ping Huang	01.01.2025to 12.31.2025				

The non-audit related fee was for the tax assurance and ESG consulting services.

2.4.2 If the audit firm was replaced and the audit fee paid to the new audit firm was less than the payment of the previous year, the audit fee amount before and after the replacement and the reasons called for the replacement should be disclosed: None

2.4.3 If the audit fee reduced more than 10% from the year before, the decrease of the audit fee amount and ratio and the reason for such decrease should be disclosed: None

2.4.4 Audit fees refer to the fees paid by the Company to the certified public accountants for auditing, reviewing, or revising the financial statements.

2.5 Information Regarding the Replacement of Independent Auditor

2.5.1 Information regarding the former CPAs: None

2.5.2 Information Regarding the Successor CPAs: None

2.5.3 Reply of the former CPAs to Article 10, Paragraph 6, Part1 and Part 2, Section 3, of this standard: None

2.5.4 Assessment of the External Auditor's Independence:

The board of directors evaluates the independence of the CPAs annually in accordance with the relevant laws and regulations and based on the internal Independence Assessment Form. The latest independence assessment has been approved by the Audit Committee and the Board of Directors on December 24, 2025 . Important assessment procedures include obtaining the CPA's

Independence Declaration, evaluating whether the CPA's continuous auditing exceeds 7 years, whether the CPA has significant interest in the Company, whether the CPA has any joint investment or share interest with the Company, etc.

2.6 If the Company's Chairman, General Manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise, their names, titles, and the service time with the accounting firms and affiliated enterprise should be disclosed: None

2.7 The change in equity transfer and equity pledge of the directors, supervisors, managers, and shareholders with over 10% shareholding in the most recent year and as of the printing date of the annual report

2.7.1 Changes in the shareholdings of directors, supervisors, managers and shareholders holding more than 10% of the shares: Please refer to (http://mops.twse.com.tw) for inquiries.

2.7.2 The directors, supervisors, managers and shareholders holding more than 10% of the shares to whom the equity is transferred are related persons: None

2.7.3 The directors, supervisors, managers and shareholders holding more than 10% of the shares to whom the equity is transferred are related persons: None

2.8 Relationship among the Top Ten Shareholders

03.29.2026; Unit: shares; %

Name	Shares Held		Shares Held by Spouse & Minors		Shares Held in the Name of Others		Name and Relationship between Shareholders		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
GRATEFUL SOCIAL WELFARE FOUNDATION	9,000,000	6.46	Not applicable	Not applicable	-	-	-	-	
Representative: L.C. Lee	3,487,929	2.50	-	-	1,800,000	1.29	Wang-Chiang Lee	Brother	
Capital TIP Customized Taiwan Select High Dividend ETF Account	7,340,000	5.27	Not applicable	Not applicable	-	-	-	-	
Valiant APO Holdings Ⅲ Ltd.	6,754,260	4.85	Not applicable	Not applicable	-	-	-	-	
Representative: L.C. Lee	3,487,929	2.50	-	-	1,800,000	1.29	Wang-Chiang Lee	Brother	
Ren-Shou Liao	4,437,820	3.18	-	-	-	-	-	-	
Hou-Chuan Lee	3,596,659	2.58	-	-	-	-	-	-	
L.C. Lee	3,487,929	2.50	-	-	1,800,000	1.29	Wang-Chiang Lee	Brother	
Lien Sheng Investment Co., Ltd.	3,352,343	2.41	Not applicable	Not applicable	-	-	-	-	
Wang-Chiang Lee	3,157,546	2.27	-	-	-	-	L.C. Lee Chang-Ying Lee	Brother	
GTM HOLDINGS CORPORATION	3,000,000	2.15	Not applicable	Not applicable	-	-	-	-	
TransGlobe Life Insurance Inc.	2,912,000	2.09	Not applicable	Not applicable	-	-	-	-	

2.9 The stock shares of one invested business held by the Company, the Company's directors, supervisors, and managers, and the business controlled by the Company directly or indirectly, and the consolidated shareholding ratio

12.31.2025; Unit: thousand shares; %

Long-term Investment	Ownership by FSP		Ownership by Directors, Managers and Directly/Indirectly Owned Subsidiaries		Total Ownership	
	Shares	%	Shares	%	Shares	%
Sharphope Co., Ltd.	50	100	-	-	50	100
Extensor World Trading Ltd. (Hong Kong)	10,000	100	-	-	10,000	100
Vision International Co., Ltd	41,000	100	-	-	41,000	100
Gainsmart Group Ltd.	25,600	100	-	-	25,600	100
FS-North America, Inc.	-	100	-	-	-	100
FS-Precision Tech Co., LLC	-	100	-	-	-	100
World Gate Holdings Ltd.	93,000	100	-	-	93,000	100
Zhong Shan Worldmark Sporting Goods Ltd.	-	100	-	-	-	100
Zhong Shan LongXing Precision Machinery Co., Ltd.	-	100	-	-	-	100
Alloy Seiko lndustry CO.,LTD	-	77.51			-	77.51
Alloy Seiko Technology(JiangSu) Co.,Ltd.	-	77.51			-	77.51
Zhong Shan DingXing Vacuum Technology Co., Ltd.	-	100	-	-	-	100
NFT Technology CO., Ltd.	13,600	69.74	-	-	13,600	69.74
Zhong Shan Aubo Precision Technology Co., Ltd.	-	52.50	-	-	-	52.50
Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	-	52.50	-	-	-	52.50
Aubo (Chongqing) Optoelectronics Co., Ltd	-	52.50	-	-	-	52.50
Aubo (Viet Nam) Precision Technology Company Limited	-	52.50	-	-	-	52.50
Aubo Precision (Hong Kong) CO., Limited	-	52.50	-	-	-	52.50
Crosspace Co., Ltd.	100	100	-	-	100	100
Minson Integration Inc.	19,836	65.30	89	0.29%	19,925	65.59
Mintech Enterprises Company Limited	-	65.30	-	-	-	65.30
Minone Enterprises Company Limited	-	65.30	-	-	-	65.30
Minson Enterprises (Thailand) Company Limited	-	65.30	-	-	-	65.30
Menxon Enterprises (Thailand) Company Limited	-	65.30	-	-	-	65.30
Diamond Sports Equipment Co., Ltd	-	40.00	-	-	-	40.00
PROXENE TOOLS CO., LTD.	9,435	51.00	-	-	9,435	51.00
Ducrown Industrial Co., Ltd.	-	51.00	-	-	-	51.00
FULCO CO., LTD. (Vietnam)	-	51.00	-	-	-	51.00

III. Capital Overview

3.1 Capital and Shares

3.1.1 Capital Formation

3.1.1.1 Capital Formation History

Date	Issue Price (NT$/Share)	Authorized Share Capital		Capital Stock		Note		
		Shares ('000 shares)	Amount (NT$'000)	Shares ('000 shares)	Amount (NT$'000)	Sources of Capital (NT$'000)	Capital raised by Assets Other than Cash	than Cash Date of Approval & Approval Document No.
Sep. 2010	10	20	200	20	200	Establishment	None	Note 1
Nov. 2010	28	218,430	2,184,300	218,430	2,184,300	Issuing new shares for division of a company as the succeeding company	None	Note 2
Jun. 2012	10	300,000	3,000,000	218,430	2,184,300	-	None	Note 3
Dec. 2015	10	300,000	3,000,000	118,430	1,184,300	Capital Reduction	None	Note 4
Dec. 2018	10	300,000	3,000,000	131,030	1,310,300	Fund Raising	None	Note 5
Apr. 2023	10	300,000	3,000,000	131,061	1,310,614	Convertible Bonds Converted	None	Note 6
Jun.2023	10	300,000	3,000,000	132,573	1,325,726	Convertible Bonds Converted	None	Note 7
Sep.2023	10	300,000	3,000,000	132,574	1,325,735	Convertible Bonds Converted	None	Note 8
Jun.2024	10	300,000	3,000,000	133,131	1,331,305	Convertible Bonds Converted	None	Note 9
Sep.2024	10	300,000	3,000,000	134,827	1,348,273	Convertible Bonds Converted	None	Note 10
Dec.2024	10	300,000	3,000,000	136,658	1,366,582	Convertible Bonds Converted	None	Note 11
Mar.2025	10	300,000	3,000,000	137,409	1,374,088	Convertible Bonds Converted	None	Note 12
Jun. 2025	10	300,000	3,000,000	139,387	1,393,870	Convertible Bonds Converted	None	Note 13

Note 1: Fu-Chan-Shang-Tzu No.09987699510
Note 2: 11.22.2010 Jing-Shou-Shang-Tzu No. 09901260880
Note 3: 06.08.2012 Jing-Shou-Shang-Tzu No. 10101105070
Note 4: 02.05.2016 Jing-Shou-Shang-Tzu No. 10501010630
Note 5: 01.07.2019 Jing-Shou-Shang-Tzu No. 10701163550
Note 6: 04.28.2023 Jing-Shou-Shang-Tzu No. 11230061190
Note 7: 06.06.2023 Jing-Shou-Shang-Tzu No. 11230093940
Note 8: 09.04.2023 Jing-Shou-Shang-Tzu No. 11230167120
Note 9: 06.11.2024 Jing-Shou-Shang-Tzu No. 11330084180
Note 10: 09.23.2024 Jing-Shou-Shang-Tzu No. 11330161580
Note 11: 12.02.2024 Jing-Shou-Shang-Tzu No. 11330208470
Note 12: 03.01.2025 Jing-Shou-Shang-Tzu No. 11430042390
Note 13: 06.05.2025 Jing-Shou-Shang-Tzu No. 11430073270

3.1.1.2 Type of Stock

03.29.2026; Unit: shares

Type of Stock	Authorized Share Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Common Stock	139,386,973	160,613,027	300,000,000	Listed Compnay Stock

3.1.1.3 Information Related to Shelf Registration: None.

3.1.2 List of Major Shareholders (Holding percentage over 5% and Top 10 Shareholders)

04.21.2025; Unit: shares

Shares / Name of the Major Shareholder	Shareholding	%
GRATEFUL SOCIAL WELFARE FOUNDATION	9,000,000	6.46
Capital TIP Customized Taiwan Select High Dividend ETF Account	7,340,000	5.27
Valiant APO Holdings III Ltd.	6,754,260	4.85
Ren-Shou Liao	4,437,820	3.18
Hou-Chuan Lee	3,596,659	2.58
L.C. Lee	3,487,929	2.50
Lien Sheng Investment Co., Ltd.	3,352,343	2.41
Wang-Chiang Lee	3,157,546	2.27
GTM HOLDINGS CORPORATION	3,000,000	2.15
TransGlobe Life Insurance Inc.	2,912,000	2.09

3.1.3 The Company's dividend policy and its implementation

3.1.3.1 Dividend policy

According to the Articles of Incorporation, if the Company has profit for the year, it shall allocate at least 2% as employees' compensation (including no less than 0.36% for non-managerial employees), to be distributed in stock or cash by a board resolution. The recipients of such distribution may include employees of affiliated companies meeting certain specific requirements. The Company may, by board resolution, allocate no more than 0.5% of the aforementioned profit as remuneration to directors.

The resolution for the distribution of employees' compensation (including that for non-managerial employees) and directors' remuneration shall be adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the directors, and shall be reported to the shareholders' meeting. However, if the Company has accumulated losses, an equivalent amount shall first be reserved to cover such losses before allocating employees' and directors' compensation/remuneration according to the aforementioned percentages.

The current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues;
b. Offset prior years' operation losses;
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The Company's Articles of Incorporation further provide at least 10% of the dividends must be paid in the form of cash.

3.1.3.2 The proposed dividend distribution for the year

The Company’s 2025 earnings distribution was approved by the Board of Directors on March 10, 2026, as follows:

FuSheng Precision Co., Ltd.
Earnings Distribution Proposal
2025

Unit: NT$

Item	Amount
Unappropriated Retained Earnings at the Beginning	$4,681,474,922
Other Comprehensive Income (loss) – Re-measurements of the Defined Benefit Plan: 2025	(4,269,991)
Net Income of 2025	3,121,390,115
Subtotal	7,798,595,046
Subtract:	
Legal Reserve (10%)	(311,712,012)
Special Reserve	(94,958,401)
Retained Earnings Available for Distribution as of December 31, 2025	7,391,924,633
Distribution Item:	
Cash Dividends to Common Share Holders (NT$16.0 per share)	**(2,230,191,568)**
Unappropriated Retained Earnings	$5,161,733,065

3.1.4 The impact of the stock dividend proposed in the shareholders' meeting on the Company's business performance and the earnings per share: Not applicable.

3.1.5 Remuneration to employees, directors, and supervisors:

3.1.5.1 The percentage or range for the compensations to employees, and directors and supervisors specified in the Articles of Incorporation: Refer to 3.1.3

3.1.5.2 The estimation basis for the estimated compensations to employees, directors, and supervisor, and the estimation basis when the compensations are distributed in shares, and the accounting treatment when there is any deviation between the estimation and the actual distribution:

(1) The estimation basis of current year’s compensation to employees, directors, and supervisors:
The Company estimates employee compensation at no less than 2% of its pre-tax profit (before deducting such compensation), including at least 0.36% for non-managerial staff, and sets aside up to 0.5% for director remuneration.

(2) The estimation basis when the compensations are distributed in shares: Not applicable. No compensations are distributed in shares in 2025.

(3) The accounting treatment when there is any difference between the estimation and the actual distribution: The differences will be recorded in the following year as a change in accounting estimate.

3.1.5.3 Resolution of compensation distribution by the Board

(1) Compensation approved by the Board of Directors in 2025:
The allocation of 2025 profits distribution in the form of the employees’ compensation and directors’ remuneration resolved by the Board of Directors is set forth as NT$77,784 thousand and NT$1,500 thousand respectively, both distributed in cash. There is no difference between the amount resolved by the Board and the amount of the recognition of expense for the year of 2025.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

3.1.5.4 The actual distribution of the compensations to employees, directors, and supervisors in the previous year. If there is any difference between the recognized expenses, the amount, the reasons and accounting treatment shall be disclosed:
The Company reported to the Shareholders' Meeting on June 19, 2025, that the 2024 compensation for employees and directors was NT$93,604 thousand and NT$1,500 thousand, respectively. These amounts are consistent with the expenses recognized in the 2024 financial statements.

3.1.6 The Company's Stock Buy Back: None.

3.2 Corporate Bonds:

3.2.1. Issuance of corporate bonds:

<table>
<tr><td colspan="2">Type of corporate bond</td><td>Second Domestic Unsecured Convertible Bonds</td></tr>
<tr><td colspan="2">Issue (Processing) Date</td><td>December 26, 2025</td></tr>
<tr><td colspan="2">Nominal value</td><td>NT$100,000</td></tr>
<tr><td colspan="2">Place of issue and transaction</td><td>Taiwan</td></tr>
<tr><td colspan="2">Issue Price</td><td>108.66</td></tr>
<tr><td colspan="2">Total Amount</td><td>Total denomination of the issue is NT$1.5 billion</td></tr>
<tr><td colspan="2">Interest Rate</td><td>Coupon rate 0% per annum</td></tr>
<tr><td colspan="2">Term</td><td>3 years /Expiry date: December 26, 2028</td></tr>
<tr><td colspan="2">Guaranteed Institution</td><td>None</td></tr>
<tr><td colspan="2">Trustee</td><td>Taishin International Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Underwriter</td><td>Taishin Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Signatory Solicitors</td><td>Handsome Attorneys Law Firm, Yi-Cheng Peng</td></tr>
<tr><td colspan="2">CPA</td><td>Ernst & Young, Chiao-Ying Chang, Tzu-Ping Huang</td></tr>
<tr><td colspan="2">Repayment Method</td><td>1.Period: 3 year
2.Repayment Method: Except for the convertible corporate bonds which have been converted into ordinary shares of the company in accordance with Article 10 of the Methods of Issuance, by holders of the convertible corporate bonds, or the company withdraws in advance in accordance with Article 18 of the Methods of Issuance and those repurchased and cancelled by the business office of a securities firm, the company will repay the bond in cash within 10 business days after the maturity date. If the aforementioned date is the day when the Taipei Stock Exchange Centralized Exchange Market is closed, it will be postponed to the next business day.</td></tr>
<tr><td colspan="2">Unredeemed principal</td><td>None</td></tr>
<tr><td colspan="2">Terms of redemption or early settlement</td><td>Please refer to the Method of Issuance</td></tr>
<tr><td colspan="2">Restricted Terms</td><td>None</td></tr>
<tr><td colspan="2">Name of credit rating agency, rating date, corporate bond rating result</td><td>None</td></tr>
<tr><td rowspan="2">Other Rights</td><td>Amount of ordinary shares, overseas depositary receipts or other marketable securities converted (exchanged or warrants) as at the date of printing of the annual report</td><td>0</td></tr>
<tr><td>Method of issue and conversion (exchange or share option)</td><td>Please refer to the Method of Issuance</td></tr>
<tr><td colspan="2">The method of issue and conversion, exchange or subscription, the possible dilution of shareholdings by the terms of issue and the effect on the interests of existing shareholders</td><td>The total denomination of the issue is NT$1.5 billion. The issuance period of the corporate bonds is 3 years, and since the timing of the creditors' requests for conversion will be different, which will delay the influence to the earnings per share and will not have a significant impact on the existing shareholders' equity.</td></tr>
<tr><td colspan="2">Name of the custodian for the exchange of the subject</td><td>N/A</td></tr>
</table>

3.2.2 Converted Corporate Bonds Information:

Unit: NT$

Type of corporate bond		Second Domestic Unsecured Convertible Bonds	
Item \ Period		2025	As of March 29 of 2026
Market Price	Highest	111.20	121.00
	Lowest	109.00	110.10
	Average	110.44	111.98
Conversion Price		270.00	270.00
Issue (processing) date and conversion price on issue		12.26.2025 / NT$270	
Manner of fulfilling conversion obligations		Issue of New Shares	

3.3 Preferred Stocks: None.

3.4 Global Depository Receipts: None.

3.5 Status of Employee Stock Option Plan: None.

3.6 Status of Employee Restricted Stock: None.

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

3.8 Financing Plans and Implementation

The Company's Second Domestic Unsecured Convertible Bonds

3.8.1 Plan Details

(1) Regulatory Approvals: Approved by the Financial Supervisory Commission (FSC) on July 21, 2025 (Letter No. 1140348724) and October 8, 2025 (Letter No. 1140360328).

(2) Total Capital Requirement: NT$2,080,000 thousand.

(3) Source of Funds: The Company will issue its Second Domestic Unsecured Convertible Bonds, consisting of 15,000 units with a par value of NT$100,000 each, for a total principal amount of NT$1,500,000 thousand.

The bonds feature a 0% coupon rate with a three-year maturity and are issued at 108.66% of par. The total gross proceeds from this issuance will amount to NT$1,629,877 thousand.

(4) Project Scope, Implementation Timeline, and Anticipated Benefits:

Unit: NT$

Project Item	Target Completion Date	Total Capital Requirement	Planned Fund Utilization
			Q1 2026
Enrichment of working capital	Q1 2026	2,080,000	2,080,000
Total		2,080,000	2,080,000

Anticipated Benefits:

The Company intends to allocate the entire NT$1,629,877 thousand in gross proceeds from the Second Domestic Unsecured Convertible Bond issuance toward enriching working capital. This strategic allocation aligns with the Company's sustained revenue growth and long-term expansion objectives.

Based on the October 2025 benchmark weighted average interest rate of 2.187% (as reported by the five major domestic banks), the Company expects to realize annual interest savings of approximately NT$35,645 thousand. By reducing its reliance on bank borrowings, the Company will significantly enhance its financial flexibility, optimize its capital structure, and mitigate financial risk—thereby strengthening overall operational resilience and market competitiveness.

(5) Plan Amendments, Rationale, and Impact: Not Applicable.

(6) FSC Filing Date: December 23, 2025

3.8.2 Implementation Status

Unit: NT$

Project Item	Implementation Status (As of Q1 2026)			Reasons for Variance and Remedial Actions
Enrichment of Working Capital	Fund Utilization Amount	Planned	2,080,000	The project has been fully executed in accordance with the original schedule.
		Actual	2,080,000	
	Execution Progress (%)	Planned	100	
		Actual	100	
Total	Fund Utilization Amount	Planned	2,080,000	
		Actual	2,080,000	
	Execution Progress (%)	Planned	100	
		Actual	100	

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

4.1.1.1 Major business content

The company is engaged in contract manufacturing of golf equipment, mainly club heads, and started diversifying into precision casting parts for aerospace, automobile and industrial uses and ice and extreme sports equipment.

4.1.1.2 Revenue Breakdown by Product Category

Unit: NT$'000, %

Item	2024		2025	
	Amount	%	Amount	%
Golf Club Head	21,618,117	76.20	20,866,697	70.00
Boots for ice hockey, motocross and other sports related equipment	2,325,063	8.20	3,075,113	10.00
Others	4,426,512	15.60	5,847,946	20.00
Total	28,369,692	100.00	29,789,756	100.00

4.1.1.3 Major products and services

Major products are as below,

(1) Golf Equipment

The company is a contract manufacturer, mainly providing golf club heads, graphite shafts and assembled clubs. We also hold a JV that is producing club head accessories for vertical integration in this field.

(2) Aerospace Precision Parts

Capitalizing on strong casting technology, the company started penetrating into aerospace casting parts market. We just completed construction of aerospace-grade casting facilities in Taiwan site which just attained AS 9100 and NADCAP certificates. Investment in existing legacy facility in US site for N. America market still continues. More importantly, we keep closely watching any possible opportunity for M&A in this industry.

(3) High-end extreme sports equipment: Investment in Minson, a large OEM manufacturer of winter sports equipment, whose main customers are global leading brands.

(4) Automotive parts: Through mergers and acquisitions, our company entered the automotive parts aluminum forging and processing related industries in 2024, and has become a supplier that provides comprehensive solutions to many international automobile manufacturers.

(5) Industrial Hand Tools: In FY2025, the Company strategically entered the industrial-grade wrench manufacturing and processing sector through strategic M&A. This expansion has positioned the Company as a comprehensive solution provider, serving multiple premier global brands.

4.1.1.4 New products under development

(1) New Material Development

The company keeps developing new materials for golf club heads, leveraging material informatics for high-strength stainless steel and titanium alloys as well as other high-density, light-weight metals and polymers. At the same time, all the efforts are also aimed at low environmental pollution and high recyclability.

(2) Innovative Structural Design

A. To develop manufacturing process for weight reduction and thin wall of Ti-club heads

B. To develop novel co-molding technique of metal and polymer via forging, casting and injection molding, for weight redistributing
C. To design new structure with low CT and high COR
D. To define the position of counterweight, adjusted on different centers of gravity
E. To shape club heads by casting with different materials directly

(3) Forming Technology

Complementing its core metal forming capabilities in casting and forging, the Company has successfully integrated Metal Injection Molding (MIM) and 3D metal printing into its production portfolio.

4.1.2 Industry overview

4.1.2.1 Current status and outlook of the industry

(1) Golf Equipment

Golf was born in Europe and is prevalent in the US and Japan. This market is pretty mature, showing low-single-digit growth over past years.

Taiwan plays an indispensable role in golf equipment supply chain. More than 80% of golf club output are covered by Taiwanese manufacturers on OEM/ODM basis, with production sites located in Taiwan, China and Vietnam. Most well-known brand names are the US and Japanese players, including US-based Callaway, Cobra (PUMA), Cleveland, Ping, Taylor Made, Titleist, Wilson and Japan-based Bridgestone, Daiwa, Dunlop, Honma, Maruman, Mizuno, PRGR, Tsuruya, Yamaha, YRC.

Club head is the highest-priced component, also with the most added value, in the club assembly. Its manufacturing flow is very complicated, mainly divided into two segments. The front-end process is technology-intensive, requiring precision casting or forging capabilities, while the back-end process is labor-intensive, needed to be equipped by trained and skilled workers. The design of club heads, regardless of material, structure and functionality, must strictly follow the compliances USGA and R&A have stipulated. Such kinds of challenges are in favor of Taiwanese manufacturers, due to decades of manufacturing experience they have accumulated. These Taiwanese players also own rich skilled manpower, advanced manufacturing technologies and excellent design capacities.

Moreover, the designs of club heads are getting more complex in terms of material application, appearance, inner structure, surface treatment and embedded accessories. As such, an integrated supply chain serves as important foundation for club head production. Good connections with brand-name customers are also crucial. Taiwan's established leadership creates formidable strategic moats and high entry barriers for potential market entrants.

Golf Equipment Supply Chain

Upstream	steel refining industry, metal manufacturing industry, carbon fiber fabricating industry (including suppliers of various materials)
Midstream	golf club head manufacturers, including FSP, Advanced, O-Ta, Dynamic, Performax , Sino, Endo.
Downstream	Brand-name companies, including Callaway, Cobra(PUMA), Cleveland, Ping, TaylorMade, Titleist, Wilson, Bridgestone, Dunlop, Honma, Mizuno, PRGR, Yamaha, YRC.

In recent years, emerging markets such as China and Southeast Asia keep growing in economy, so that health and leisure activities have been valued, with golf as one of the best choices. Besides, more and more junior, female and diverse ethnic groups started playing golf which makes golf among the most popular sports.

Although the golf market looks saturated, it is still showing a slow growth trend over the past decade. Thanks to owning key success factors such as good customer relations, strong R&D capabilities, experienced production system and economies of scale, Taiwanese manufacturers enjoy irreplaceable status in the golf industry.

(2) Composite Products

A. To achieve lightweight design, high strength and adjustable gravity for designing club heads, the demand for carbon fiber crown is surging.

B. Baseball bats are also designed to be light-weight and advanced material informatics, so that the market demand for composite bats and even full carbon fiber bats is on increase.

C. Carbon fiber plays as the main materials for hockey sticks and ski poles, also applicable for other winter sports equipment.

D. In addition to the metal material shaped by casting, forging and CNC processing, carbon fiber has gradually been used for producing aerospace parts.

E. Carbon fiber is quickly utilized in electric cars and supercars in view of light weight for power consumption saving.

F. There is an increasing trend toward applying carbon fiber materials to industrial hand tool handle accessories.

4.1.2.2 Product development trends and competition

The golf club heads could be divided into three categories: Metal wood, Iron and Putter

(1) Metal Wood

The driver is typically the longest club found in a golf bag and its goal is to get the ball as far as possible towards the green. In order to broaden the sweet spot, the driver is designed to be bigger size and lighter weight. As known, the titanium is lighter, stronger and more elastic than other metals. Therefore, the driver with titanium club head enables a golfer to hit the ball farther and straighter. As for the fairway and hybrid woods, stainless steel is mainstream material.

In view of the latest design concept, the combination of composite and metal materials can create the best effect of counterweight. Nowadays, more features have been put into driver products, such as "adjustable weight", "adjustable hosel", "adjustable loft", "score line structure" and "aerodynamics". On top of these new functionalities, brand names place lots of emphases on "aesthetic creativity", "cosmetic finished", "bold colors" and "3D painting", hoping to inspire consumers' willingness to buy new assembled clubs for replacement needs.

(2) Irons

The irons are mainly focused on enabling ball to travel much straighter and aligned after stroke. Major material is stainless steel and sweet spot is broader. Couples of features, such as advanced metal materials, new joint structures, carbon fiber and vibration absorption, are designed into the irons to be more attractive to end users.

(3) Putter

The putter is by far the most used club in golf bags and has received much concern from golfers. How to muster putter well is a key to shrink handicap. With revolutionary technologies in putter designs, it become easier to avoid the so-called dreaded three-putt. Most of the putters are shaped through precision casting, while some premium models are milled by block piece with CNC processing which are much more stable in gravity and uniformity. As far as material concerned, stainless steel is still the mainstream for putter head production.

After decades of development, Taiwan's golf equipment industry has become a global manufacturing center and an OEM and ODM partner for major brands. Our competitors are including O-TA Precision Industry Co., Ltd., Advanced International Multitech Co.,Ltd, and Dynamic Precision Industry Corp. Due to the short product development time and stable delivery time, the company can quickly provide services to meet customer needs, and has composite material production capabilities, it can maintain its competitive advantage and our performance is better than our competitors .Above all, we are currently the largest OEM for golf equipment in the world.

4.1.3 Overview of Technologies and R&D

4.1.3.1 Overview of the R&D expenses inputs

Unit: NT$'000

	2025	**As of February 28, 2026 (Note)**
Consolidated R&D Expenses	920,293	72,294

Note: Information for FY2026 is based on unaudited, internal management accounts.

4.1.3.2 The technologies or product successfully developed for the recent year and as of the publication date of the annual report.

Year	Result	Descriptions
2025	HSC 215+ Casting	Material Development: Customers are currently utilizing this advanced material informatics stainless steel casting material for prototype development. Following optimization, it can also provide adjustability in finished products.
	Titanium and Steel 3D Printing	Customers are progressively utilizing prototype samples, enabling functional testing at the design stage and accelerating prototype development.
	DLC-LITE PVD Process Development	Successfully adopted for mass production, this high wear-resistant coating integrates innovative aesthetics with functional performance.
	DLC Process Development	A high-hardness, low-friction coating with wear resistance exceeding conventional coatings by more than tenfold.
	Electroplating Masking Process Development	This process overcomes traditional limitations of single-tone electroplating, enabling multi-color finishes with complex patterns and fine textures.
	UV Coating Development	Successfully adopted for mass production, this solvent-free, high-hardness coating delivers both environmental compliance and robust performance.
	Vacuum Diffusion Welding Development	Successfully adopted for mass production, replacing traditional brazing processes.
	Hollow Structure Ceramic Core Development	Prototype sampling is currently in progress, enabling more flexible weight distribution and design options.
	AIO Automated Welding Workstation	Successfully adopted for mass production, integrating 3D vision-guided optical inspection with robotic welding arms for precise, matched welding operations.
2026	Process Automation Equipment and Operations	The Company continues to advance automation across its processes, with ongoing development of upstream process applications and digital vision-guided technologies.
	Lightweight Epoxy Resin Formulation and Advanced material informatics Foaming Material Development	Prototype sampling is currently in progress, supporting lightweight, weight-reduction designs for golf club head crown components.

Year	Result	Descriptions
	Recyclable Epoxy Resin for Carbon Fiber Golf Club Development	Prototype sampling is currently in progress, supporting ESG-aligned sustainable and environmentally friendly designs for carbon fiber golf clubs.
	Advanced Engineering Thermoplastic Carbon Fiber Golf Club Head Aft-Body Forming Technology	Prototype sampling is currently in progress, supporting aft-body design development for carbon fiber golf club heads.
	Recycled Carbon Fiber (RCF) Compression Molding Technology Development	Prototype sampling is currently in progress, supporting ESG-aligned sustainable and environmentally friendly product designs.
	New Casting Slag Removal Process Development	The Company continues to enhance its manufacturing processes by developing a new slag removal agent, reducing slag formation during casting and minimizing casting defects.
	FACE Laser Deep Engraving and Surface Roughening Technology Development	Successfully adopted for mass production, this technology enhances surface roughness through laser processing.
	Metal 3D Printing Powder Development	Development focuses on common golf club head alloys such as 64Ti and 17-4, expanding material options for customer prototyping.
	Advanced material informatics Chromium-Molybdenum Steel Casting Material Development	Successfully adopted for mass production, this optimized chromium-molybdenum steel delivers high strength with appropriate ductility to meet customer requirements.
	High Wear-Resistant Adjustable-Angle QPQ Process	While the QPQ process is utilized to enhance wear resistance, a specialized technique reduces coating thickness to improve club head adjustability.

4.1.4 Long-term and Short-term Development

4.1.4.1 Short-term Plan

(1) Marketing Strategy

A. To enhance the capabilities of CNC, CAD, CAM and shorten the lead time for tooling development

B. To digitalize and strengthen R&D capabilities and capacities, and upgrade our collaboration with customers for design-in, design-win development

C. To develop new materials and processes to meet market trends

(2) Production Strategy

A. To continuously improve manufacturing process to further reduce defect and repair rates

B. To improve production yield rate, speed up production flow and shorten delivery time

C. To make use of lean production system to improve output efficiency

D. To leverage ERP system to monitor the most updated production status

E. To improve production environment and meet environmental protection needs to ensure employees’ safety

(3) Sales Strategy

A. To maintain good relations with customers on win-win basis, and then further enhance mutual trust, to make sure more orders being awarded

B. To offer a more diversified product portfolio, with one-stop-shopping services, to meet customer requirements

C. To increase the proportion of high value-added products

(4) Human Resource Development

A. To conduct on-the-job education and off-the-job training for employees to boost their job skills and domain knowledge

B. To cultivate multi-functional employees and solidify job rotation mechanism to meet potential job needs

C. To conduct periodical performance reviews by KPI/OKR measurement systems

4.1.4.2 Long-term plan

(1) R&D strategy

A. To actively develop alternative metal materials that can be applied to existing products to meet the diverse needs from customers.

B. To develop new materials for various products, to boost added value and widen application scope.

C. To roll out composite club heads with multiple functionalities to enjoy differentiation benefits and improve product competitiveness.

D. To make further investment in implementation of the automated equipment that employs computer-integrated manufacturing to improve efficiency.

(2) Production Strategy

A. To collaborate with satellite factories on value-chain integration concept, to control material inventory level and speed up production.

B. To make good use of cross-factory cooperation to seek the optimal manufacturing loading worldwide.

(3) Sales Strategy

A. To form a supply chain system with customers and rely on each other to expand market share.

B. To offer more diversified product lines and one-stop-shopping services.

(4) Human Capital Development

A. To expand talent pool with diversified professional background in line with long-term strategy.

B. To arrange job rotations and cross-plant assignments to train and accumulate potential personnel for management and profession positions in the future.

C. To cooperate with reputable universities and colleges to recruit well-educated persons of great potential to join us.

4.2 Market and Sales Overview

4.2.1 Market Analysis

4.2.1.1. Revenue by Geography

Unit: NT$'000

Region	2024		2025	
	Amount	**%**	**Amount**	**%**
US	19,674,658	69	19,480,879	65
Japan	4,031,130	14	3,777,249	13
Rest of World	4,663,904	17	6,531,628	22
Total	28,369,692	100	29,789,756	100

Note: Categorized by the region customers' HQs are located

The company is mainly engaged in manufacturing and marketing of golf club heads on OEM/ODM basis. Since most well-known brand names are American and Japanese players, the company sells most of products through export which accounts for more than 95% of annual sales. As market demand in the US, Japan and Europe has turned matured, the main growth momentum will arise from the emerging markets such as China and Southeast Asia.

4.2.1.2 Market Share

The company has acted as a contract manufacturer for golf club heads for more than 40 years. Due to comprehensive manufacturing service offerings with good on-time delivery, the company is the global largest club head producer, in terms of sales dollar and unit shipments as well as market share. The company is highly confident in sustainable business growth, thanks to

(1) Professional management team with strong execution abilities

Most of team members are veteran and professional in this industry. They not only have rich production experiences and strong execution capabilities, but also are familiar with the past, present and future development of golf products. By virtue of great sensitivity to external environment, its team can quickly response to market change, with great advantages of adaptability and flexibility. Well equipped with recruited talents and outside professionals, the company has been keeping a leading position in the golf industry worldwide.

(2) Excellent R&D capacities with customer orientation

The company owns the largest R&D team, with the largest capacities, in this industry. By continuously developing new materials and designs to pursue product innovation and diversification, the company aims at upgrading its technical capabilities and added values. The company has accumulated decades of experiences in collaborating with the engineering teams of more than ten renowned golf brand-name companies.

With strong execution of long-implemented “Toyota Production System” (TPS), the company has improved production efficiency significantly which has been reflected on its uprising gross margins over the past years. Good quality, on-time delivery, responsive service at reasonable cost are the company’s superiorities that are unparalleled by its competitors, exceeding customer expectations.

(3) Good management system with harmonious labor relations

The company is aware that the good management system with well-trained and well-motivated employees is crucial to maintain our leadership in an ever-change environment. In this context, the company keeps optimizing its management system in accordance with employees’ well-being and discipline. All are expected to improve personnel’s welfare and morale, based on which the company can generate the optimal benefits to shareholders and customers.

4.2.1.3 Favorable and Unfavorable Factors in the Long Term

(1) Favorable factors

A. By accumulating decades of experience, Taiwan has built up a complete supply chain system with excellent quality and low cost advantages in the golf equipment production. The island has already played an indispensable role, supplying more than 80% of golf clubs in the world.

B. Emerging markets such as China and Southeast Asia have continued to grow in economy, so that health and leisure activities have been valued, with golf as one of the best choices. In addition, more and more junior, female and diverse ethnic groups started playing golf which makes golf among the most popular sports.

C. The driver is mainly made of titanium. The company outperforms in tooling capability and titanium casting technology, which help itself stand out from competitors in Ti-club head production.

D. The company is the largest contract manufacturer of golf equipment worldwide. Over the past years, it has demonstrated very profitable operation records which has contributed to our health financial structure and strong cash generating ability. Performance is much more superior to peers, so that the company has relatively abundant resources to make investment in either golf development or non-golf business.

E. In recent years, we have continuously acquired non-golf business projects to create synergies and new elements with our core golf business, thereby providing customers with different service values through diversified operations.

(2) Unfavorable factors and the response

A. The manufacturing process of club heads is very labor-intensive, consisting of more than 100 working steps that are tedious and time-consuming. Impacted by rising labor costs and recruitment difficulty in recent years, the company is making every effort to address these concerns. In addition to upgrading the job skills of employees by exercising multi-functional training, the company has put lots of resources in automation implementation, along with Big Data/AI/IOT concepts, to seek the best competitive niche.

B. Since the company mainly takes OEM orders from international brand names, some of component suppliers are directly designated by the customers. Such kind of arrangement makes us not easy to prepare safety stocks, as particularly the lead time our customers allow is getting shorter. By staying tuned with market situation and keeping close contact with customers and suppliers, the company has displayed a good result in manufacturing and sales reconciliation, to ensure there is no shortage of supply and no interruption in production.

C. When almost 100% of our sales are denominated in USD and more than 70% of cost/expense in other currencies, the company is definitely exposed to FX fluctuation risk. To deal with the uncertainty, the company factors FX change into the quotation process, trying to mitigate the impact the currency issue may bring out. It also sets up FX-adjusted mechanism for product costs with some customers, so as to appropriately hedge the FX risk.

D. Due to environmental protection issues or supply-demand imbalance, the prices of raw materials may fluctuate, sometimes causing cost increase then affecting the bottom line. The company is committed to improving the yield rates and reducing scrap rates for cost savings. Meanwhile, it also tries most to negotiate with customers for their support to share such kind of cost incremental in a timely manner.

E. Since U.S. President Trump proposed a policy of reciprocal tariffs after taking office again, there has been uncertainty about the imposition of tariffs on many countries, resulting in a strong wait-and-see atmosphere in the market and possibly affecting consumer purchasing power. Due to geopolitical factors, the supply chain needs to respond more quickly.

F. The impact of recent conflicts in the Middle East will continue to be closely monitored. Continued attention is required for petrochemical products and natural gas supplies, alongside the diversification of sourcing channels, to mitigate the risk of supply chain disruptions.

4.2.2 Production Procedures of Main Products

4.2.2.1 Main purpose of golf club heads

The club head is one of the main parts of assembled club. Different designs with different materials may greatly affect its functionality and performance.

4.2.2.2 Manufacturing Process

Process of golf club heads:

A. Casting Process:

molding/ tooling → wax injection → hooking → dipping → dewaxing → casting → cutting → heat treatment → machining → polishing → painting → finished product

B. Forging Process:

die making → coarse/ medium/ fine forging → sandblasting → precision forging → surface treatment → machining → polishing → painting → finished product

C. Graphite Shaft Process:

carbon fiber prepreg → cutting → laminating → rolling cloth → rolling OPP tape → hardening → grinding → coating → finished product

4.2.3 Supply of Main Materials

The company's raw material supply is stable and the quality is fine. The supply status:

(1) Stainless steel ingot: The main source is domestic suppliers, some of which are purchased from foreign manufacturers.

(2) Titanium ingot：The main source is foreign suppliers, some of which are purchased from domestic manufacturers.

(3) Zirconia sand and powder: The main source is foreign suppliers.

4.2.4 Major Customers and Suppliers:

(1) Customers that accounted for more than 10% of annual consolidated revenue in any of the last two years:

Unit: NT$'000

No.	2024				2025			
	Name	**Amount**	**As % of Revenue**	**Relation**	**Name**	**Amount**	**As % of Revenue**	**Relation**
1	Company A	7,642,143	26.9%	-	Company A	7,197,662	24.2%	-
2	Company B	4,549,800	16.0%	-	Company B	4,248,999	14.3%	-
3	Company C	2,673,474	9.4%	-	Company C	3,142,905	10.5%	-
	Others	13,504,275	47.7%	-	Others	15,200,190	51.0%	-
	Total Revenue	28,369,692	100.0%		Total Revenue	29,789,756	100.0%	

The company is engaged in the manufacture, assembly and sale of various metal products such as golf club heads. The customer portfolio is stable.

(2) Suppliers that accounted for more than 10% of annual consolidated purchase in any of the last two years:

There was no supplier that accounted for more than 10% of annual consolidated purchase in any of the last two years

4.3 Human Capital in the most recent 2 years and up to the date

Unit: persons

		2024	2025	Current Year as of February 28, 2026
Number of Employees	Managers (Note)	50	52	51
	Employees	17,003	16,786	16,070
	R&D Personnel	608	673	650
	Total	17,661	17,511	16,771
Average Years of Age		34.0	35.0	34.4
Average Years of Service		4.6	5.5	5.7
Education Profile (as a % of total)	PhD	0%	0%	0%
	Master’s Degree	1%	1%	1%
	Bachelor’s Degree	12%	10%	10%
	High School or Below	87%	89%	89%
	Total	100%	100%	100%

Note: Managers are Senior Directors or above.

4.4 Environmental Protection Expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): None.

4.5 Labor Relations

4.5.1 The Company employee's welfare measures, education, training, retirement policy and its implementation, as well as agreement between the employers and employees and the employees' interest protection measures:

4.5.1.1 Employee's welfare

(1) Personnel System: The Company’s personnel regulations—governing recruitment and termination, promotions, compensation, rewards and discipline, leave, retirement benefits, severance, and survivor benefits—are administered in accordance with the Labor Standards Act, the Labor Insurance Act, and other applicable laws and regulations. These policies are designed with the most favorable considerations for employees to ensure their well-being.

(2) Compensation Policy: To attract and retain outstanding talent, the Company continuously benchmarks market salary levels and periodically evaluates its salary adjustment mechanism based on operating performance and profitability. The Company has also established the “Standard Operating Procedure for Employee Performance Evaluation,” setting annual performance indicators that link departmental and individual performance. Evaluations are conducted twice a year. Upon approval by the Board of Directors, business results are reflected in employee compensation as a tangible way to reward our colleagues' dedication. Furthermore, Article 27 of the Articles of Incorporation stipulates that if the Company records a profit for the year, no less than 2% shall be allocated as employee remuneration, embodying our commitment to corporate social responsibility and motivating employees to grow alongside the Company.

(3) Welfare Items: Welfare items include various cash gifts, employee group insurance, employee stock ownership trusts, subsidies for children’s education and childcare, maternity and childbirth allowances, childcare stipends, club subsidies, an employee commissary, a cafeteria, and fitness

facilities. Additionally, employee welfare activities are organized periodically to strengthen employee engagement and cohesion.

4.5.1.2 Education and training

(1) The Company encourages its employees to improve professional skills to achieve the goal of continuous improvement and sustainable growth. For those who participated in-service master program and are helpful to the Company, they will be provided with tuition and miscellaneous subsidies and rewards for salary adjustment after obtaining academic credentials.

(2) The Company has established a comprehensive training system, primarily consisting of pre-employment training for new hires (covering company policies and regulations) and on-the-job training. On-the-job training is independently developed by each department based on its specific needs and includes both internal and external programs. These initiatives provide employees with diverse learning opportunities and professional development courses, supporting the Company's objective of fostering a continuous learning environment and cultivating professional talent.

a. New hire training: Orientation is provided on the first day of employment to help new employees quickly understand basic procedures and the workplace environment. Following onboarding, new hire training is conducted to introduce corporate culture, organizational regulations, departmental responsibilities, and compensation and benefits. Depending on job functions, foundational professional skills courses are arranged to progressively strengthen knowledge and capabilities and support smooth team integration.

b. On-the-job training: In 2019, the Company formally introduced a competency framework to systematically enhance talent development and organizational competitiveness. The framework is divided into two categories: leadership competencies and professional competencies, providing clear development direction for employees. This competency system establishes a structured and actionable talent development mechanism and is also applied as a basis for performance evaluation and talent selection, thereby further driving the Company's sustainable growth and competitiveness. In 2025, the Company delivered a total of 901 courses, with cumulative attendance reaching 37,158 training instances. Among these, 182 courses focused on leadership and professional competencies, with 1,292 attendances, demonstrating the Company's continued investment in employee professional development.

(3) Beyond formal training programs, the Company provides diverse learning and development opportunities while promoting employees' physical, mental, and emotional well-being. Each year, the Company invites professionals from various fields to deliver our original "Executive Knowledge Sharing Series" and organizes in-house "Fusheng Fengyun People" podcast events. These initiatives allow employees to engage in learning in an enjoyable and positive atmosphere, stimulating creativity and new perspectives while supporting the application of learning outcomes in their daily work. This series of activities not only strengthens employees' stress tolerance and psychological resilience but also fosters a positive, proactive mindset, serving as a key driver of the Company's sustainable growth.

In 2025, the Company implemented a "Health Leadership" mind-body balance program specifically for middle and senior management, featuring two experiential activities: Archery Tag and team table tennis. A total of 46 managers participated, resulting in an overall satisfaction rating of 4.7/5. These activities enabled managers to relieve stress through physical engagement while enhancing leadership resilience and team synergy. For the general workforce, the Company launched the "Journey of Time" annual program, structured around Ryff's six dimensions of well-being. This program comprised 11 activities forming a well-being cycle of "cognition–feeling–action." Cross-site participation reached 4,043 interactions, enhancing employees' psychological capital, strengthening psychological safety and developmental support, and establishing a vital foundation for sustained employee growth.

4.5.1.3 Retirement policy and its implementation

The Company’s retirement policy and its implementation follows the Labor Standards Act and Labor Insurance Act, which includes:

1. Labor Standards Act ("the old system"): Defined benefit plan
   a. retirement application:
      A worker may apply for voluntary retirement under any of the following conditions:
      1) Where the worker attains the age of fifty-five and has worked for fifteen years.
      2) Where the worker has worked for more than twenty-five years.
      3) Where the worker attains the age of sixty and has worked for ten years.
      Those whose work period or age has not reached the previous standards, but who meet the Company's policy requirements and have been approved by the Supervisory Committee of Labor Retirement Reserve, the Company may accept their early retirement applications.
   b. payment of worker pensions:
      1) Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months.
      2) As set forth in Article 54 of the Labor Standards Act, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties.
      The retirement pension base as specified in 1), shall be one month’s average wage of the worker at the time when his or her retirement is approved.
   c. appropriation of labor pension reserve funds:
      Employee Retirement Reserve Fund Contribution: In accordance with the retirement system under the Labor Standards Act, the Company contributes 2% of employees’ total monthly salary on a monthly basis to the employee retirement reserve fund account. In 2025, the contribution under the old pension system amounted to NT$190,600. Such funds are legally protected and may not be assigned, seized, offset, or provided as collateral.
      Employee Pension Supervision:Since August 2023, the Company has established the Labor Retirement Reserve Fund Supervisory Committee in accordance with applicable laws to review matters relating to the contribution amount, deposit, utilization, and pension payments of the labor retirement reserve fund, thereby safeguarding employees’ rights and interests.
2. Labor Pension Act ("the new system"): Defined contribution plan
   a.According to the “Monthly Contribution Classification Table” issued by the Bureau of Labor Insurance, Ministry of Labor, the Company appropriate 6% of the worker's monthly wage to individual labor pension accounts.
   b. Employees may also voluntarily deposit pension funds within six percent of their monthly salary.
3. The Company has also established an Employee Stock Ownership Trust Committee, offering an enrollment incentive of NT$20,000. Participating employees make monthly contributions, which are matched by Company matching contributions; these funds are jointly placed into a trust account. Through this trust mechanism, the funds are used to purchase Company shares and are professionally managed on behalf of employees. This program is designed to motivate employees and the Company to drive strong performance together and share in the Company’s profits, thereby enhancing employees’ financial security for retirement. In fiscal year 2025, the program benefited a total of 641 participants, with Company matching contributions totaling NT$15,228,000.

4.5.1.4 The measures to protect employees' interests

The Company periodically convenes labor-management meetings, communicates newly enacted regulations through expanded morning meetings, implements production-target incentive programs, and provides various internal welfare and management initiatives. These measures are designed to strengthen employee cohesion and job satisfaction, maximize employee contributions and value to the Company, and foster harmonious labor-management relations.

1. The Company has established a comprehensive document control system and institutional framework that clearly defines all management policies, including employees' rights, obligations, and benefit programs. These policies are reviewed and updated periodically to ensure the protection of all employee rights and interests.
2. Labor-management coordination meetings are held regularly to establish a structured communication mechanism between employees and management, ensuring employee rights are effectively safeguarded.
3. Monthly expanded morning meetings are utilized to communicate newly enacted laws and regulations, production-target incentive awards, and various internal management and welfare measures. These initiatives enhance employee engagement and job satisfaction, increase contributions to the Company, and promote harmonious labor-management relations.
4. The Company has established multiple employee grievance channels and mechanisms. Employees may raise concerns regarding work or personal life through performance reviews, Welfare Committee meetings, employee satisfaction surveys, and suggestion mailboxes to facilitate discussion, resolution, or the submission of welfare improvement proposals.
5. The rights and obligations of both labor and management are governed by the Labor Standards Act and the Company's internal operational regulations. Labor relations remain stable and harmonious, with no material labor disputes or losses having occurred.

4.5.1.5 Corporate Social Responsibility Initiatives

1. The Company has established a "Sustainable Development Practice Code" and implements its corporate social responsibility initiatives in a phased manner, taking into account current operating conditions and applicable regulatory requirements.
2. In accordance with the Labor Standards Act and relevant laws and regulations, the Company has established employee work rules and strictly complies with labor laws to safeguard employees' legal rights and interests. The Company also adheres to internationally recognized labor and human rights principles, including support for disadvantaged groups, the prohibition of child labor, and the elimination of employment and workplace discrimination. Furthermore, the Company's Human Capital policies strictly prohibit discrimination based on race, religion, gender, marital or family status, age, political background, nationality, disability, sexual orientation, horoscope, blood type, or any other factor, ensuring equal opportunity in recruitment, hiring conditions, compensation, benefits, training, performance evaluation, and promotion.
3. The Company regularly convenes Labor-Management Meetings and Welfare Committee meetings to provide a platform for employee engagement and two-way communication. Employees may also provide feedback or file grievances through performance reviews, employee satisfaction surveys, and suggestion boxes, ensuring a fair and transparent grievance mechanism that provides appropriate responses.
4. The Company has established Occupational Safety and Health Work Rules and a dedicated occupational safety and health management organization, staffed with designated safety and medical personnel responsible for implementation. Annual health examinations are conducted, and personal protective equipment is provided to ensure workplace safety. Safety and health education is conducted on a regular basis. The occupational safety unit performs monthly internal inspections and issues corrective action notices to address identified safety and health issues.
5. The Company regards employees as its most valuable assets and is committed to safeguarding their physical and mental well-being. In addition to annual health checkups that exceed regulatory requirements, on-site occupational health nurses adjust examination items based on individual health history and arrange follow-up examinations, physician consultations, and health education for high-risk individuals. For mental health support, on-site counseling psychologists provide monthly services to promote mind-body balance, alongside periodic nutrition and fitness-related activities and seminars.

6. The Company maintains open and effective communication and grievance channels with shareholders, customers, suppliers, banks, and employees. Dedicated departments are responsible for communication and coordination to protect stakeholders' legitimate rights and interests. An "Investor Relations" section is also available on the Company's website for public inquiries.
7. The Company has established a competency-based job function system and a professional training committee to effectively cultivate diverse and high-quality talent. Through fair and transparent evaluation and promotion mechanisms, the Company has established an effective framework for career development and progression.

4.5.1.5 Specific Measures to Enhance Employee Welfare and Rights (Year-on-Year Improvements)

1. Actively promoting employee physical and mental well-being: The Company has established psychological counseling services and conducts structured health lectures. Through the "Workplace Combat Power Charging Station" program, the Company strengthens employees' self-health management and psychological resilience by providing evidence-based health knowledge across diverse wellness themes.
2. Caring for employee health and promoting holistic well-being:
   a. Health promotion activities: The Company implemented initiatives such as "super slow jogging" and group weight-loss programs. The weight-loss program achieved an 88% participation rate among all employees, resulting in a total weight reduction of 785 kilograms within 8 weeks and an average BMI reduction of 5%.
   b. Immunity protection: In 2025, the Company provided full subsidies for influenza vaccinations, benefiting a total of 340 employees and effectively enhancing epidemic prevention capabilities.
   C. Cancer screening: The Company organized women's cancer screening programs, with 99 female employees participating in cervical smear tests and mammography screenings, thereby improving early detection rates.
3. Promoting sports culture and external certification: In 2025, the Company maintained its "Sports Enterprise Certification" from the Ministry of Education's Sports Administration, demonstrating its ongoing commitment to employee health. Furthermore, in collaboration with Sports Administration subsidies, the Company implemented technology-based physical fitness programs. These programs utilize professional assessment and guidance to help employees gain a deeper understanding of their physical condition, further fostering a health-oriented workplace culture.
4. Supporting carbon reduction and environmental sustainability: To promote green transportation and contribute to sustainable development, the Company launched an electric scooter purchase subsidy program in 2024. As of December 2025, the total subsidy amount issued has reached NT$760,000.
5. Continuous development of a safe and healthy workplace environment: To strengthen workplace safety and employee protection, the Company regularly conducts occupational environmental monitoring and safety and health training. Additionally, it continuously invests in facility improvements, including:
   a. Upgrades to manufacturing work areas and the installation of access control systems.
   b. Renovation of factory exterior walls, roofs, and restrooms.
   c. Expansion of fire safety systems and the asphalt paving of plant grounds.

4.5.2 Any losses resulting from labor disputes in the most recent year and as of the publication date of the annual report: None.

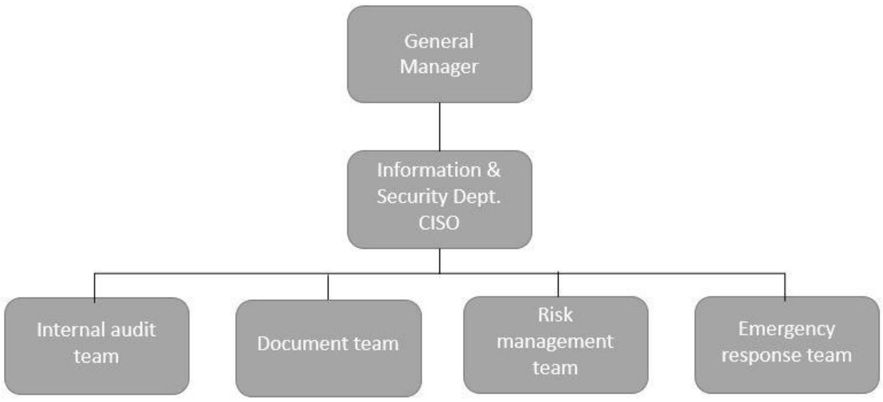
4.5.3 The estimated loss amount of current and future potential disputes: None.

4.6 Information Security Management

4.6.1 Information Security Framework, Policy, Specific Plan and Invested Resource:

4.6.1.1 Information Security Framework:

To ensure the implementation of information security, the Company has assign Information & System Center to be responsible for formulating the information security policies, plans, introduction, promotion and implementation. All moves are expected to reduce information security risks and enhance information security awareness. The updated status shall be reported to CEO periodically.



The Company implemented the ISO 27001 Information Security Management System (ISMS) in 2023 and successfully obtained certification. On March 24, 2026, the Company completed its recertification, with the new certificate valid from April 9, 2026, to April 8, 2029. Through the systematic implementation and ongoing operation of the ISO 27001 framework, the Company continuously strengthens its information security incident response capabilities, ensuring the robust protection of both corporate and customer assets.

4.6.1.2 Information Security Policy:

The overall information security policy mainly aims to implement the management mechanisms and enhance the protection capabilities, which are materialized through the three main directions of personnel governance, equipment resources and policy management.

- Personnel Governance: enhance employees' awareness of information security and implement information security education and promotion
- Equipment Resources: build up appropriate information security equipment, upgrade the protection level and improve the defense abilities
- Policy Management: constantly review and adjust information security policies to maintain the reliability, while complying with international standards and regulations

4.6.1.3 Information Security Specific Plan:

As time goes on with the possible threat, the information security measures are conducted in three dimensions: advanced prevention, protective measures and emergency response. These plans are supplemented by the continuous introduction of new technology, so as to strengthen the management abilities, for best information security protection.

- Advanced Prevention:
  (1) publicize information security policies or relevant information to employees from time to time, and confirm the effectiveness of implementation
  (2) conducts rolling reviews and adjustments for information security strategies and mechanisms
  (3) collaborate with the outside experts for detection and prevention internally and externally, expected to close the loopholes in time
- Protective Measures:
  (1) build the information facilities room, equipped with independent air conditioning, power and backup system, which are also fireproof and shockproof to ensure the safe data protection

(2) construct a joint defense mechanism for information security to prevent false alarm and omissions of incident notification, and discover potential threats and cast early alerts
(3) set up the segmented internal network functionally, to limit the scope if caused by the accident
(4) collect and analyze firewall data in each factory and formulate appropriate defense policies to ensure that each factory is protected from external attacks
(5) control and regulate the permission of use for all end-user devices, to avoid information security gaps
(6) build security authentication to ensure account access security, for access to important systems and sensitive data

- Emergency Response:
(1) complete the important systems, databases and files equipped with backup mechanisms, which can be switched to backup or data restoration immediately in the event of an emergency, to ensure uninterrupted services
(2) set up the backup mechanism for the main and backup networks across each plant, to ensure the operations will not be affected by network disruption
(3) rehearse for the disaster recovery mechanism verification annually, to ensure the recoverability of important host computers and systems.

4.6.1.4 Information Security Invested Resource Investment:

Information security has become an important issue in the Company's operations, and the corresponding information security management issues and resources invested are as follows:

-Dedicated manpower:

In 2023, the Information Security Management Department (ISMD) was established as a dedicated information security organization to be responsible for the company's information security planning, technology introduction, and information security related matters, in order to maintain and continuously strengthen information security.

-Education and training:

All new employees complete information security education and training courses upon arrival at the Company. In 2025, the Company invested in information security education and training for a total of 2,203 people.

-Investment in information security:

In 2025, the investment in information security was approximately $10,223 thousand.

No	Item
1	WAF (Web Application Firewall)
2	Web Content Filtering System
3	Enterprise Vulnerability Management System
4	Data Backup and Recovery Software
5	Advanced Email Threat Protection (ATP)
6	Email Auditing and Compliance System
7	Mail Anti-Virus Filtering System
8	Anti-Spam Management System
9	Multi-Factor Authentication (MFA)
10	Endpoint Security & Anti-Malware System
11	Managed Security Services (MSSP) and Intrusion Detection
12	Endpoint Control System
13	Penetration Testing
14	System and Web Vulnerability Scanning

4.6.2 Information on losses, potential impacts, and countermeasures resulting from material information security incidents for the most recent fiscal year and through the report's publication date: None

4.7 Important contracts:

Nature of Contract	Contracted Parties	Term of Agreement	Main Content	Restrictions
Loan Agreement	KGI Bank	2025/09/30 - 2026/09/30	Loan terms and conditions	None
Loan Agreement	Mega Bank	2025/11/09 - 2026/11/08	Loan terms and conditions	None
Loan Agreement	CTBC Bank	2025/07/31 - 2026/07/31	Loan terms and conditions	None
Loan Agreement	Fubon Bank	2025/11/10 - 2026/10/12	Loan terms and conditions	None
Loan Agreement	Bank Sinopac	2025/10/28 - 2026/10/28	Loan terms and conditions	None
Loan Agreement	Taishin Bank	2026/01/31 - 2027/01/31	Loan terms and conditions	None
Loan Agreement	Chang Hwa Bank	2025/05/31 - 2026/05/31	Loan terms and conditions	None
Loan Agreement	ANZ Bank	2025/10/13 - 2026/10/13	Loan terms and conditions	None
Loan Agreement	Citi Bank	2026/02/26 - 2027/02/26	Loan terms and conditions	None
Loan Agreement	DBS Bank	2025/12/31 - 2026/12/31	Loan terms and conditions	None
Loan Agreement	E.Sun Bank	2025/04/30 - 2026/04/30	Loan terms and conditions	None
Loan Agreement	The Export-Import Bank of the Republic of China (Eximbank)	2025/07/10 - 2026/07/10	Loan terms and conditions	None
Loan Agreement	Bank of China (BOC)	2025/05/12 - 2026/05/11	Loan terms and conditions	None
Loan Agreement	China Construction Bank (CCB)	2025/12/26 - 2026/12/26	Loan terms and conditions	None
Loan Agreement	Bank of Communications (BOCOM)	2024/01/25 - 2025/12/14	Loan terms and conditions	None
Loan Agreement	Industrial and Commercial Bank of China (ICBC)	2025/11/25 - 2026/12/26	Loan terms and conditions	None
Loan Agreement	HSBC Bank	2025/03/04 - 2026/05/04	Loan terms and conditions	None
Loan Agreement	KGI Bank	2025/09/30 - 2026/09/30	Loan terms and conditions	None

V. Review of Financial Conditions, Operating Results, and Risk Management

5.1 Analysis of Financial Status

Unit: NT$’000

Item \ Year	2024	2025	Differences	
			Amount	%
Current assets	17,918,962	19,778,410	1,859,448	10.38
Property, plant and equipment	5,802,878	7,096,732	1,293,854	22.30
Intangible assets	1,099,545	1,736,098	636,553	57.89
Other assets	1,342,141	1,675,910	333,769	24.87
Total assets	26,163,526	30,287,150	4,123,624	15.76
Current liabilities	8,695,164	9,311,803	616,639	7.09
Non-current liabilities	771,960	2,274,679	1,502,719	194.66
Total liabilities	9,467,124	11,586,482	2,119,358	22.39
Common Stock	1,366,582	1,393,870	27,288	2.00
Certificate of entitlement to new shares from convertible bond	7,506	-	(7,506)	(100.00)
Capital Surplus	3,247,601	3,814,258	566,657	17.45
Retained earnings	10,318,258	10,696,541	378,283	3.67
Other components of equity	(266,902)	(361,860)	(94,958)	35.58
Equity attributable to the parent company	14,673,045	15,542,809	869,764	5.93
Non-controlling interests	2,023,357	3,157,859	1,134,502	56.07
Total equity	16,696,402	18,700,668	2,004,266	12.00

Analysis of deviation over 20% and the absolute amounting to 1% of total asset of current year:

1. Driven by strategic investment objectives, the Group acquired a 51% equity interest in Proxene Tools Co., Ltd. in April 2025 through a public tender offer, leading to the consolidation of its assets and liabilities. Consequently, property, plant and equipment (PP&E), intangible assets, and other asset categories saw a substantial increase in fiscal year 2025 compared to 2024. Furthermore, as the Group acquired a majority yet partial stake (51%), non-controlling interests also experienced a significant increase in fiscal year 2025 relative to the previous year.
2. Both the Company and its subsidiary, Proxene Tools, issued domestic unsecured convertible bonds in 2025. This financing activity resulted in a substantial increase in non-current liabilities for fiscal year 2025 compared to 2024.

Remark: In April 2025, the Group finalized the fair value assessment (Purchase Price Allocation) for Alloy Seiko Industry Co., Ltd. and its subsidiaries, which were acquired on August 23, 2024. Consequently, the financial statements for the period from the acquisition date through December 31, 2024, have been retrospectively restated. For further details, please refer to the 2025 Annual Financial Report audited by the independent auditors on March 10, 2026.

5.2 Analysis of Operation Results

5.2.1 Analysis of the change of operating revenues, operating profit and income before tax in the past two years:

Unit: NT$'000

Item \ Year	2024	2025	Differences	
			Amount	%
Operating revenues	28,369,692	29,789,756	1,420,064	5.01
Gross profit	7,563,377	7,580,333	16,956	0.22
Operating profit	4,657,934	4,632,131	(25,803)	(0.55)
Non-operating income and expenses	484,810	(188,381)	(673,191)	(138.86)
Income before income tax	5,142,744	4,443,750	(698,994)	(13.59)
Profit attributable to owners of parent	3,795,669	3,121,390	(674,279)	(17.76)

Analysis of deviation over 20% and the absolute amounting to1% of total asset of current year:

The Group's non-operating income and expenses for fiscal year 2025 decreased significantly compared to 2024, primarily attributable to fluctuations in foreign exchange rates.

5.2.2 Sales volume forecast and related information, major impact on financial performance and future plan on financial performance: Please refer to I. Letter to Shareholders.

5.3 Analysis of Cash Flow

5.3.1 Analysis of Cash Flow

Unit: NT$'000

Item \ Year	2024	2025	Differences	
			Amount	%
Net cash provided by operating activities	4,790,257	3,654,236	(1,136,021)	(23.72)
Net cash used in investing activities	934,686	2,181,065	1,246,379	133.35
Net cash used in financing activities	1,574,137	1,208,420	(365,717)	(23.23)

Analysis of deviation over 20% and the absolute amounting to1% of total asset of current year:

1. Net cash inflow from operating activities decreased: This was primarily attributable to the decrease in pre-tax profit in 2025, which was largely impacted by unfavorable foreign exchange fluctuations.
2. Net cash outflow from investing activities increased: The increase was primarily attributable to the Group's strategic acquisition in April 2025, in which it secured a 51% equity interest in Proxene Tools Co., Ltd. through a cash-based public tender offer.
3. Net cash outflow from financing activities decreased: This change was primarily due to the issuance of domestic unsecured convertible bonds in 2025 by both the Company and its subsidiary, Proxene Tools, which generated a significant inflow of capital.

5.3.2 Remedial actions for liquidity shortfall: As a result of positive operating cash flows and cash on-hand, remedial actions are not applicable.

5.3.3 Cash flow projection for next year:

Unit: NT$'000

Cash balance at the beginning of the year (1)	Net cash flow from operating activities (2)	Net cash outflow from investing and financing activities (3)	Cash surplus (deficit) (1)+(2)+(3)	Measures for managing cash deficit	
				Investment plans	Financing plans
7,837,404	4,533,314	(5,173,452)	7,197,266	-	-

Liquidity forecast analysis for the next year:

1. Operating activities: In 2026, the global macroeconomic environment is expected to remain characterized by uncertainty, driven by factors such as fluctuating tariffs and cautious customer procurement strategies. Consequently, net cash inflow from operating activities is projected to remain broadly consistent with 2025 levels.
2. Investing and financing activities: The Group remains committed to strategically expanding its non-golf-related business segments to diversify revenue streams and enhance long-term profitability. To support these strategic initiatives, both investing and financing activities are anticipated to see an uptick compared to 2025.

5.4 Recent years' major capital expenditures and impact on financial and business: None.

5.5 Long-term investment policy and results

5.5.1 Investment policy

The Company's investment focuses on enhancing the golf business and actively expand non-golf business to extent the Company's core competence

5.5.2 Investment result, reason of gain or loss and improvement plan:

Unit: NT$'000

Name of Corporation	Major Business or Products	Amount of Gain (Loss) Recognized	Main reasons of gain or loss	Improvement plan
Sharphope Company Ltd.	Investment holding	202,570	Normal operation	-
Gainsmart Group Ltd.	Investment holding	(16,158)	Recognition of the loss for reinvestment	Plan to complete liquidation and dissolve the company in 2025
Vision International Co., Ltd.	Manufacture and sale of golf club head	264,933	Normal operation	-
World Gate Holdings Limited	Investment holding	472,259	Normal operation	-
Extensor World Trading Ltd.(Hong Kong)	International trade	125,085	Normal operation	-
FS-North America, Inc.	Investment holding	(16,239)	Recognition of the loss for reinvestment	Plan to complete liquidation and dissolve the company in 2025
FS-Precision Tech Co., LLC	manufacture and sale of automotive parts, aerospace parts and medical equipment	(21,456)	The company stopped production in the fourth quarter of 2024 and entered the liquidation and dissolution process.	Plan to complete liquidation and dissolve the company in 2025

Name of Corporation	Major Business or Products	Amount of Gain (Loss) Recognized	Main reasons of gain or loss	Improvement plan
Zhong Shan Worldmark Sporting Goods Ltd.	Manufacture and sale of golf club head	213,144	Normal operation	-
Zhong Shan LongXing Precision Machinery Co., Ltd.	CNC machining service of golf club heads and other industrial parts	4,177	Normal operation	-
Zhong Shan DingXing Vacuum Technology Co., Ltd.	PVD (Physical Vapor Deposition) surface treatment of golf club heads and other industrial parts	11,573	Normal operation	
Alloy Seiko Industry Co.,Ltd.	Hardware and mechanical products, and sales of automotive related parts	29,965	Normal operation	
Alloy Seiko Technology(Jiangsu) Co.,Ltd.	Manufacturing and sales of automobile parts and related metal hardware products	(8,964)	Financial and operational health yet to be optimized.	By leveraging Group-wide resources, we are committed to optimizing our financial and operational fundamentals while aggressively expanding our market presence.
NFT Technology CO., Ltd.	Manufacture and sale of aerospace precision casting parts	(4,679)	Impacted by foreign exchange rate fluctuations.	Mitigating the impact of exchange rate volatility through strategic financial planning.
Zhong Shan Aubo Precision Technology Co., Ltd.	Manufacture and sales of accessories for golf club head	256,087	Normal operation	-
Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	Anodizing process service	4,024	Normal operation	-
Aubo (Chongqing) Optoelectronics Co., Ltd.	Manufacturing and sales of optical and electronic related parts, instruments and optical glass	(7,369)	Product promotion in progress.	Continuing to drive product market penetration.
Aubo (Viet Nam) Precision Technology Company Limited	Manufacture and sales of accessories for golf club head	95,751	Normal operation	-
Aubo Precision (Hong Kong) Co., Limited	International trade	43,851	Normal operation	-
Crosspace Co., Ltd.	Sales of own-branded titanium tableware	545	Normal operation	-
Minson Integration Inc.	Sales of boots, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other sports	134,977	Normal operation	-
Mintech Enterprises Company Limited	manufacture and sale of plastic injection parts, sports helmets and protective gear	37,892	Normal operation	-
Minone Enterprises Company Limited	manufacture and sale of motocross boots, skates and sports protective gear	28,740	Normal operation	-

Name of Corporation	Major Business or Products	Amount of Gain (Loss) Recognized	Main reasons of gain or loss	Improvement plan
Minson Enterprises (Thailand) Company Limited	manufacture and sale of motocross boots and protective gear and in-line skates	22,973	Normal operation	-
Menxon Enterprises (Thailand) Company Limited	manufacture and sale of ice hockey skate boots and motocross boots	16,400	Normal operation	-
DIAMOND SPORTS EQUIPMENT CO., LTD	International import and export trading operations for various product categories.	161	Normal operation	-
Proxene Tools Co., Ltd.	Manufacturing and sales of hand tools, pneumatic tools, and related components.	21,669	Normal operation	-
Ducrown Industrial Co., Ltd.	International trading and related operations.	43,954	Normal operation	-
FULCO CO., LTD.	Manufacturing and sales of hand tools and related components.	34,689	Normal operation	-

5.5.3 Investment in the next year:

The company will carefully evaluate several investment projects on hand from a middle-to-long-term strategic perspective, either in golf or non-golf segment.

5.6 Risk Management

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

5.6.1.1 Changes in interest rate

The amount of bank loans of the company is not large, and changes in interest rates have little effect on the company's profit and loss. However, the company will always pay attention to interest rate fluctuation and take necessary measures to reduce the impact of interest rate changes.

5.6.1.2 Changes in exchange rate

The company adopts the principle of stability and conservatism in the management of foreign currency funds. It does not engage in foreign exchange-related transactions for the purpose of speculation. The company collects international financial information related to exchange rates at any time, and incorporates exchange rate trends into quotation decisions to reduce the impact of exchange rate changes.

5.6.1.3 Inflationary Pressures

Observe that the company's past profits and losses have not yet had a significant impact due to inflation, so inflationary pressure has limited impact on the company's profits and losses. The company keeps abreast of market price fluctuations and takes appropriate measures to mitigate the impact of inflation on the company's profit and loss.

5.6.2 The policy regarding high-risk and/or highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The company focuses on business operations, and the financial policy is based on the principle of soundness and conservatism. It does not make high-risk and high-leverage investments. All investments are implemented after careful evaluation. Fund lending to others, endorsement guarantees and engaging in derivative commodity transactions are handled in accordance with the company's “Articles of Incorporation”, “Procedures for Acquisition or Disposal of Assets”, “Procedures for Lending Funds to Other Parties” and “Procedures for Endorsements & Guarantees”.

5.6.3 Future development plans and expected R&D expense inputs

5.6.3.1 Future Development Plans

A. Materials Innovation

- High-Performance Alloy Engineering: Development of advanced material informatics titanium alloys and stainless steel, spanning casting, sheet metal, and forging applications.
- Lightweight Material Optimization: Engineering of low-density alloys to maximize striking performance and expand design freedom.
- Additive Manufacturing: Material development for 3D printing (SLM/DLP) and its integration into large-scale production.

B. Process & Inspection Innovation

- Pre-Casting Optimization: Upgrading pre-casting workflows through the integration of CAE mold-flow simulation and high-precision metrology validation.
- Advanced Manufacturing Techniques: Mastery of specialized processes, including vacuum diffusion bonding, selective heat treatment, deep engraving, and micro-texturing.
- Integrated Automation: Deployment of automated manufacturing and metrology solutions, leveraging 3D laser scanning and computer vision (CV) inspection technologies.

C. Surface Finishing & Sustainability

- Advanced Protective Coatings: Development of high-performance DLC (Diamond-Like Carbon) and PVD (Physical Vapor Deposition) thin-film technologies for superior wear resistance.
- Aesthetic Innovation: Mastery of multi-color/specialty PVD finishes, complemented by advanced UV coatings and digital printing techniques.
- Sustainable Operations: Implementation of eco-friendly, low-VOC (Volatile Organic Compound) coating processes to balance high-performance requirements with global sustainability and ESG standards.

D. Integrated ODM Capabilities

- Full-Spectrum Golf Head ODM Design: Comprehensive capabilities spanning structural engineering, strategic material configuration, and data-driven performance optimization.
- Strategic Market Alignment: Tailored design solutions synchronized with brand positioning and market trends, engineered to accelerate time-to-market and product commercialization.e requirements with global sustainability and ESG standards.

E. Smart Manufacturing & Digitalization

- Integrated Intelligent Ecosystem: Seamless integration of AI and MES (Manufacturing Execution Systems) to enable real-time production monitoring and end-to-end process traceability.
- Data-Driven Operational Excellence: Utilizing scientific line layouts and advanced data analytics to maximize operational efficiency and ensure rigorous quality consistency.

5.6.3.2 Expected R&D Expense Inputs

The company's estimated R&D expenditure in 2026 is NT$ 991,083 thousand, which will be well planned and appropriately adjusted according to the operating conditions and macro environment

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

The management and operation of the company are in compliance with relevant domestic and foreign laws and regulations, and pay close attention to the information about the domestic and foreign policy trends and regulatory changes related to the operation of the company. Request and reduce the impact of the company's financial operations.

5.6.5 Effect on the Company's finance and business from the evolving technologies and industry(including information security risk) , and measures to be taken in response:

The company is the world's largest golf equipment manufacturing company, with solid precision casting and forging manufacturing technology. It continues to pay attention to industry-related technological changes and technological development(including information security risk), and constantly improve product development capabilities and efficiency,

and appropriately adjust the company's business strategy to Continue to strengthen market competitiveness and leadership, so technological changes and industrial changes have not had a significant impact on the company's financial business.

5.6.6 The effects of changes of the corporation image on the corporation risk management, and measures to be taken in response:

The company keeps offering good-quality products and services to customers, based on corporate culture of “seeking truth from facts, pursuing excellence”. Meanwhile, we continuously enhance our corporate governance and business ethics to protect the interests of all stakeholders. Therefore, the company has no existing crisis or crisis management which needs to be copied with, caused by the change in corporate image.

5.6.7 Expected benefits and possible risks associated with merge and acquisitions, and measures to be taken in response:

In order to expand its business scope, the Company has not only entered the upstream golf industry for vertical integration, but also entered the automotive components and hand tool industries through mergers and acquisitions. The investment has brought benefits to the Company's revenue without any major risks.

5.6.8 Expected benefits and possible risks associated with any plant expansion, and measures to be taken in response:

The Company’s expansion plan should be approved by the board of directors and is expected to contribute to revenue growth and profit growth without major risks.

5.6.9 Risks exposed to for purchases and sales, and measures to be taken in response:

5.6.9.1 The Company carefully evaluates suppliers and actively increases and diversifies supply sources, and maintains good cooperative relationships with suppliers, without the risk of excessive concentration of purchases.

5.6.9.2 In order to disperse the sales concentration, the company not only maintains a good relationship with old customers, but also actively develops new customers to reduce the risk of sales concentration.

5.6.10 Potential impact and risks associated with sales of significant numbers of shares by the Company’s Directors, and/or Major Shareholders who own 10+% of the Company’s total outstanding Shares: None

5.6.11 Risks associated with change in management: None.

5.6.12 Litigation or non-litigation events: Major litigation, non-litigation or administrative disputes involving the company and its directors, supervisors, general manager, substantive responsible persons, major shareholders with a shareholding ratio of more than 10%, and affiliated companies in the most recent year and as of the publication date of the annual report, which have been determined or are still in dispute, and whose results may have a significant impact on shareholders' equity or securities prices, should disclose the facts in dispute, the subject amount, the start date of the litigation, the main parties involved in the litigation, and the handling status as of the publication date of the annual report: None.

5.6.13 Other important risks and responding measures: None.

5.7 Other Important Items: None.

VI. Special Disclosure

6.1 Summary of Affiliated Companies:

6.1.1 Merger business report of related companies: please refer to the Market Observation Post System (http://mops.twse.com.tw) or visit our company website (https://www.fusheng-precision.com/) for inquiries.

6.1.2 Consolidated Financial Statements of Affiliated Enterprises: The entities that are required to be included in the combined financial statements of Fusheng Precision Co. Ltd., as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Fusheng Precision Co. Ltd., and Subsidiaries do not prepare a separate set of combined financial statements.

6.1.3 Affiliation Reports: None.

6.2 Private Placement Securities in the Most Recent Years: None.

6.3 Other Supplement Information: None.

6.4 The occurrence of the events affecting shareholders' equity or securities price as defined in Article 36, Paragraph 3 Section 2 of Securities Exchange Act in the most recent year and as of the printing date of the annual report:

On March 11, 2025, the Company's Board of Directors resolved to acquire 51% of the common shares of Proxene Tools Co., Ltd. and completed the transaction on April 9, 2025. The same date was used as the acquisition date, and Proxene Tools Co., Ltd. was included in the consolidated financial statement preparation entity, and its non-controlling interest was measured based on the relative share of the amount recognized in the identifiable net assets.

FuSheng Pecision Co., Ltd

Chairman: Liang-Chen Lee