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Annual Report URL: http: //mops.twse.com.tw/
https: //www.quaser.com/tw/

Quaser Machine Tools, Inc.

2025 Annual Report

Published on: April 10, 2026

1. The Company's Spokesperson and Acting spokesperson:

(1) Spokesperson:

Name: Hsieh, Tien-Hsin
Title: General Manager
Tel: 04-26821277
Email: quaser@qmt.com.tw

(2) Acting spokesperson:

Name: Chan, Hui-Yen
Title: Internal Audit Supervisor
Tel: 04-26821277
Email: quaser@qmt.com.tw

2. Addresses and Telephone Numbers of the Head Office, Branch Offices and Plant:

Address of the Company and its Plant: No. 3, Gong 6th Rd., Youth Industrial Park, Dajia Dist., Taichung City
Tel: 04-26821277

3. Name, Address and Telephone Number of the Stock Transfer Agency:

Name: Fubon Securities Co., Ltd. Stock Affairs Department
Address: 11F, No. 17, Xuchang St., Zhongzheng Dist., Taipei City
Website: http://www.fubon.com
Tel: 02-23611300

4. CPAs Certifying the Latest Financial Statements:

Names of CPAs: Wu, Chun-Yuan and Chang, Tzu-Hsin
Name of CPA Firm: KPMG
Address: 7F, No. 201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City
Website: https://home.kpmg/tw/zh/home.html
Tel: 04-24159168

5. Venue for Trading the Company's Listed Overseas Securities and Inquiry Method for Such Overseas Securities

Nil.

6. Company Website:

https://www.quaser.com/tw/

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I. Letter to Shareholders

Greetings to all shareholders, ladies and gentlemen!

We would like to express our gratitude to our shareholders for their support over the past year, and we appreciate you sparing time from your schedules for attending the 2026 Regular Shareholders' Meeting of the Company.

In 2025, the global economy was significantly impacted by the recovery of U.S. domestic demand and strategic policy shifts. New tariff policies triggered disruptions across global supply chains, leading to rising corporate costs and a decline in trade volumes, which in turn delayed corporate investment plans. Against a backdrop of persistent geopolitical tensions, Taiwan's total machine tool export value for 2025 decreased by 9.6% compared to the previous year. This figure underscores the profound structural challenges currently facing the machine tool industry.

In response, the Company has proactively optimized its global footprint to mitigate operational risks. We have successfully extended our operational scope into the aerospace, hydrogen fuel cell, semiconductor, and medical equipment industries. By seeking strategic partners and actively expanding our commercial presence, we remain focused on high-tech and high-growth markets. This multi-industry layout is now yielding tangible results. Beyond hardware development, we are continuously advancing our software capabilities. To address the challenges of smart manufacturing and sustainable development, we have developed carbon-neutral intelligent machine tools featuring:Integrated Smart Energy-Saving Modes、Modular Five-Axis Machine Tools、Intelligent Optimized User Interfaces.

Simultaneously, we continue to push boundaries by introducing our laser equipment into diversified markets and exploring new growth opportunities within the renewable energy sector.

Despite facing numerous unfavorable external factors, our entire team has remained dedicated to rigorous cost containment and strengthening our competitive edge to navigate shifting market dynamics.In fiscal year 2025, while we continued to deepen our expertise in high-end technologies as part of our operational plan, overall profitability experienced a short-term loss. This was primarily due to overseas investment projects not yet reaching their expected returns. In response, the management team has taken decisive restructuring actions. We believe these short-term financial adjustments are necessary to pave the way for a long-term profitability turnaround. Looking ahead to 2026, we will focus on our existing strategic layout to recapture value for our shareholders. On behalf of the Board of Directors of Quaser Machine Tools, Inc., I would like to express our gratitude for your continued support.

The following is a brief report on the Company’s 2025 operational performance and the 2026 business plan.

1. Business Report of 2025

(1) Implementation results of the business plan, budget execution status, and financial receipts and disbursements.

Unit: NT$/ Thousand

Items	2025	2024	Growth Rate (%)
Consolidated Operating Revenue	2,869,443	3,240,019	(11%)
Consolidated Gross Profit	902,517	1,032,264	(13%)
Consolidated Operating Income	(58,106)	339,854	(117%)
Consolidated Profit after Income Tax	(148,433)	212,592	(170%)
Basic Earnings per Share	(2.67)	3.87	(169%)

Description:

In fiscal year 2025, consolidated operating revenue totaled NT$2.869 billion, representing an 11% decline from NT$3.24 billion in 2024. This decrease was

primarily attributable to the impact of uncertain tariff policies and unfavorable exchange rate fluctuations on the traditional machine tool sector.
Despite these headwinds, the gross margin for 2025 remained stable at 32%. This resilience was achieved through enhancing product value-add, optimizing the sales mix, and implementing rigorous cost controls, which allowed the Company to maintain its margin levels despite currency pressures.
Through continued expenditure containment, the Company maintained a consistent operating expense ratio. However, the consolidated operating loss for 2025 was NT$58 million, with a consolidated net loss after tax of NT$148 million. This resulted in a net loss margin of (5%), representing a decline of 117% and 170% respectively compared to 2024 levels.Budget execution status:The Company did not publish financial forecast information for 2025

(2) Comparison of 2025 and 2024 Profitability:

Items	2025	2024
Ratio of Operating Income to Paid-in Capital (%)	(10.57)	61.85
Ratio of Pre-Tax Income to Paid-in Capital (%)	(25.89)	57.74
Profit Ratio (%)	(5.17)	6.56
Earnings per Share (NT$)	(2.67)	3.87

(3) R&D Status:

In 2025, the Company's R&D expenditure as a percentage of total revenue increased to 5%. We continue to invest in pioneering technologies and customized models to enhance product value and deepen our new brand identity and market recognition.
Furthermore, we have integrated ESG carbon reduction principles into our latest product developments. The carbon-neutral intelligent machine tools and modular five-axis machine tools completed in 2025 seamlessly combine the concepts of sustainable development and smart manufacturing, addressing the evolving needs of the global market.

2. **Operation Plans for 2026**

Quaser serves as a foundry for globally renowned brands and actively evolves the own brand of Quaser/Winbro with its development strategy which attach equal attention to OEM/ODM and own brand, developing an innovative environment and exploring the opportunities for gaining new growth momentum.

(1) Production and Marketing Strategies

1. Independent R&D and production: Focus on the research, design and manufacturing of linear motors and built-in spindles, providing customers with stable and high-quality upgrade solutions.
2. Investment in smart technology: Continue to increase the research and development of smart machinery to solve the problem of labor shortage in the industry and improve production efficiency.
3. Adapt to local conditions: Flexibly develop diversified product portfolios and sales strategies based on different market demands strategies to meet the specific needs of customers in each region.
4. Establishment of regional technology centers: Establish regional technology application centers to provide more efficient and closer circular after-sales services for local markets and industry types.
5. Strengthen sales and customer connections: Optimize sales channels, directly

target end customers, strengthen customer relationship management, and thereby increase product unit sales value.
6. The projected sales volume for the current year is expected to reach 300 units.

(2) Resource Integration
1. Internal resource integration: In the fields of Sales, R&D, Manufacturing and Management, we will fully integrate the advantages of each company within the group to give full play to the comprehensive benefits and enhance competitiveness.
2. External strategic cooperation: Facing the rapid changes in the global machine tool industry environment, it is no longer possible to fight alone. The company will actively promote upstream and downstream integration, work with strategic partners, jointly expand the business territory, and achieve sustainable growth momentum.

3. **Future Development Strategies of the Company**

The Company continues to invest in the development of smart machinery and accelerate its global layout to seize business opportunities in supply chain restructuring. From product development, mass production to after-sales service, we implement the concept of carbon reduction in every link and strive to promote green manufacturing and improve energy efficiency.

1. Dual Engines—Aerospace and Energy: Deepening our presence in these high-barrier, high-margin niche markets to insulate the Company from cyclical fluctuations in any single industry.
2. Innovation and Redefinition: Redefining the possibilities of precision machinery by harmonizing "Stability" and "Flexibility." We aim to meet the simultaneous demands for efficiency and precision through models that embody sustainability and energy-saving philosophies.
3. Restructuring Western Markets: Leveraging the restructuring of our German operations, our Taiwan-based team will take direct control of operations in Germany to establish a proprietary marketing network. We are also advancing our layout in Central and Eastern Europe to prepare for post-war reconstruction demand.
4. Embracing Change and AI: While the iteration cycle of the machine tool industry differs from the rapid pace of AI, the Company maintains an open and adaptive mindset. We are actively exploring AI applications to optimize workflows and enhance operational efficiency.

4. **Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment**

The U.S. government’s push for increased tariffs on global imports has raised the entry barriers for Taiwanese machine tools into the U.S. market. Simultaneously, low-price competition from China and the significant depreciation of the Japanese Yen and Korean Won have further pressured the competitiveness of Taiwan’s high-end machine tools.
Despite the slowdown in traditional machine tool demand, the recovery of global air travel has surged demand for aerospace maintenance and manufacturing. Additionally, the rapid growth in energy infrastructure provided a vital pillar of support in 2025. These sectors allowed the Company to establish a technical "moat" and deepen our strategic layout amid a harsh macroeconomic climate.

Furthermore, the Company has successfully obtained ISO 14064 Carbon Footprint Verification and continues to develop sustainable, energy-saving models to comply with

evolving environmental regulations.

By leveraging the irreplaceability of our high-precision aerospace equipment and our reorganized operations in Europe and the U.S., we are effectively countering the impact of trade protectionism. We will continue to advance smart machinery, expand into the hydrogen fuel cell industry, and optimize our production base layouts. These proactive measures ensure our resilience and competitive strength, securing the Company's sustainable operations and steady growth.

Chairman:
Raui-Mu Shieh

General Manager:
Tien-Hsin Hsieh

Accounting Supervisor:
Yu-Hsin Lin

II. Corporate Governance

1. Information on the Directors ,General Manager,Assistant General Managers, Assistant General Managers, and the Chiefs of all the Divisions and Branch Units

(1) Directors

1. Directors' Information

March 30, 2026; Unit: Number of Shares; %

Title	Nationality	Name	Gender Age	Date Elected	Term (years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s)	Executives, Directors or Supervisors who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of China	Shieh, Raui-Mu	Male 71~80	May 31, 2024	3	May 07, 1991	5,459,810	9.94	5,344,310	9.73	–	–	–	–	Power Mechanical Engineering Group, The Affiliated Industrial Vocational High School of NCUE Deputy General Manager of Leadwell Cnc Machines Mfg., Corp. Vice Chairman of the Taiwan Machine Tool & Accessory Builders' Association Executive Director of the Precision Machinery Development Association	Chairman of the Taiwan Machine Tool Industry M-TEAM Person-in-charge of Quaser Europe Technical Center Gmbh	(Note 1)	Hsieh, Tien-Hsin	First Degree of Kinship	(Note 2)
Director	Republic of China	Xude Investment Co., Ltd.	–	May 31, 2024	3	June 09, 2015	5,107,118	9.29	5,107,118	9.29	–	–	–	–	–	Nil	Nil	Nil	Nil	
	Republic of China	Xude Investment Co., Ltd.Representative: Hsia, Ching-Hsuan	Female 41~50	May 31, 2024	3	June 09, 2015	619,062	1.13	619,062	1.13	–	–	–	–	Department of Corporate Management, National Taichung University of Science and Technology Business Manager of Quaser Machine Tools, INC.	Director of Xude Investment Co., Ltd. Person-in-charge of IT'S LIFE Company	Nil	Nil	Nil	
Director	Republic of China	National Development Fund, Executive Yuan	–	May 31, 2024	3	June 19, 2020	1,625,000	2.96	1,625,000	2.96	–	–	–	–	–	Nil	Nil	Nil	Nil	
	Republic of China	National Development Fund, Executive Yuan Representative: Lai, Yung-Hsiang	Male 51~60	May 31, 2024	3	June 19, 2020	–	–	–	–	–	–	–	–	Department of Mechanical Engineering, NCHU Master of Mechanical Engineering, CCU German RWTH Aachen University, Academic Exchange General Manager, Deputy General Manager of the Precision Machinery Research Development Center R&D Enginner of Leadwell Cnc Machines Mfg., Corp. Executive Director of the Precision Machinery Development Association of R.O.C President of the Chinese Testing and Certification Association Supervisor of the Chinese Association for Industrial Technology Advancement Consultant of the Taiwan Machine Tool & Accessory Builders' Association Consultant of the Taiwan Association of Machinery Industry Executive Director of the Taiwan Automation Intelligence and Robotics Association Executive Director of the Academia-Industry Consortium for Science Parks in Central Taiwan Director of the Taiwan Cutting-Tool Engineering Association	CEO of the Metal Industries Research & Development Centre Head of Smart machinery	Nil	Nil	Nil	
Director	Republic of China	Yeh-Chiang Technology Corp.	–	May 31, 2024	3	August 27, 2021	12,433,500	22.63	12,433,500	22.63	–	–	–	–	–	Nil	Nil	Nil	Nil	
	Republic of China	Yeh-Chiang Technology Corp.Representative: Wang, Tai-Kuang	Male 71~80	May 31, 2024	3	August 27, 2021	–	–	–	–	–	–	–	–	Chenggong High School	Chairman of Yeh-Chiang Technology Corp. Corporate Representative of Zhongshan Xuguang Machinery Technology Co., Ltd. Corporate Director Representative of Zhongshan Weiqiang Technology Co., Ltd. Corporate Director Representative of Zhuhai-Macao Cross-Border Industrial Zone Zhongshan Weiqiang Technology Co., Ltd. Corporate Director Representative of Ye County Zhongshan Weiqiang Technology Co., Ltd. Corporate Director Representative of Wei Hsu Co.,	Director	Chen, Chun-Ya	Second Degree of Kinship	

Title	Nationality	Name	Gender Age	Date Elected	Term (years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s)	Executives, Directors or Supervisors who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
																Ltd. Corporate Supervisor Representative of Advance Program Ltd. Chairman of How Ji Investing Corp. Chairman of Tong Wei Investing Corp. Corporate Supervisor Representative of Supercap Industrial Co., Ltd. Corporate Director Representative of Taiwan- N Lighting Corporation Ltd. Corporate Director Representative of So Bright Electronics Co.,LTD. Corporate Director Representative of Yuh Cheng Materials Co., Ltd.				
	Republic of China	Yeh-Chiang Technology Corp.Representative: Pei-Lin Shen	Male 71~80	March 25, 2026	1	March 25, 2026	—	—	—	—	—	—	—	—	Department of Public Administration, National Chengchi University Spokesperson, Pacific Construction Co., Ltd.	Yeh-Chiang Technology Corp.representative of Institutional Director	Nil	Nil	Nil	(Note 3)
Director	Republic of China	Chen, Chun-Ya	Male 61~70	May 31, 2024	3	August 04, 2022	—	—	—	—	—	—	—	—	Department of Chemical Engineering and Biotechnology, NTUT ILLINOIS INSTITUTE of TECHNOLOGY MSGAS, U.S.A Santa Clara University MSEE, U.S.A Global Business Vice President, Integrated Device Technology, U.S.A	Corporate Director Representative of Yeh-Chiang Technology Corp. World Financial Group EVC, U.S.A Honorary Chairman of Global Monte Jade Science & Technology	Director	Wang, Tai-Kuang	Second Degree of Kinship	
Independent Director	Republic of China	Chen, Hsin-Liang	Male 71~80	May 31, 2024	3	May 16, 2018	—	—	—	—	—	—	—	—	Bachelor of Laws, Chinese Culture University Completion of the 5th Class B Taxation and Legal Affairs and the17th Magistrate Trainings Revenue Officer Trainee at National Taxation Bureau of Taipei, Ministry of Finance Passed the Bar Examination Prosecutor of Hsinchu, Taoyuan, Taipei District Court Prosecutors Offices Judge of Taoyuan, Shihlin District Courts	Attorney-at-law of Chen, Hsin-Liang Law Firm	Nil	Nil	Nil	
Independent Director	Republic of China	Lin, Chang-Chih	Male 41~50	May 31, 2024	3	August 27, 2021	—	—	—	—	—	—	—	—	Department of Electrical Engineering, National Dajia Industrial High School Department of Business Administration, Dayeh University Columbia University-ALP Two U.S. Invention Patents (Machine-related) Four Taiwan Invention Patents (Machine-related) One Germany Invention Patent (Machine-related) One Korea Invention Patent (Machine-related) Product Development Consultant of SHARS TOOL COMPANY, U.S.A. Product Sales Consultant of Hangzhou Chandox Tosun Import & Export; Co. Product Development & Sales Consultant of A.W.T COMPANY, Korea Plant Manager/R&D Manager/Business Manager of Auto Well Enterprise Co., Ltd.	Deputy General Manager of Auto Well Enterprise Co., Ltd. Product Development & Sales Consultant of A.W.T COMPANY, Korea	Nil	Nil	Nil	
Independent Director	Republic of China	Chen, Run-Qing	Male 71~80	May 31, 2024	3	May 31, 2024	—	—	—	—	—	—	—	—	Master, Finance and Taxation, Feng Chia University LL. B, Dept. of Public Finance, Feng Chia University Passed special examination of Class B Customs and Taxation for taxation affairs personnel Passed Training for Promotion from Junior Rank to Senior Rank Director of Fengyuan Branch, National Taxation Bureau of the Central Area, Ministry of Finance Director of Miaoli Branch, National Taxation Bureau of the Central Area, Ministry of Finance	Adjunct Lecturer, Department of Public Finance and Taxation, National Taichung University of Science and Technology Chairman, Association of Outstanding Alumni of the National Taichung University of Science and Technology	Nil	Nil	Nil	
Independent Director	Republic of China	Lin, Feng-Zhih	Male 51~60	May 31, 2024	3	May 31, 2024	40,000	0.07	—	—	—	—	—	—	Ph.D., Systems Engineering, Case Western Reserve University Director, Operations Center of Information Volunteer, Ministry of Education Director, Research Center for Electronic Commerce, Feng Chia University Director, Master's Program of Electronic Commerce for In-Service Adults, Feng Chia University CEO, EMBA Program, Feng Chia University	Dean of the School of Management Development and Professor of the Department of Marketing, Feng Chia University Independent Director, GOLD RAIN ENTERPRISES CORP. Independent Director, Dynamic Medical Technologies INC.	Nil	Nil	Nil	

Note 1: The General Manager of Quaser Machine Tools, Inc. is also the person-in-charge of Quaser Europe Technical Center AG, which is 100% invested by the Company, along with Quaser America Machine Tools, Inc., Winbro Group UK Limited, Winbro Group Technologies Limited and Winbro Group Technologies LLC.

Note 2: The Chairman of the Company, Mr. Shieh, Raui-Mu, and the General Manager, Mr. Hsieh, Tien-Hsin, are first degree relatives. Mr. Hsieh, Tien-Hsin, in addition to his many years of working experience in the Quaser Group, was also involved in the technical department and the execution of overseas business, and is familiar with the operation of the Company. Therefore, the Board of Directors has approved his appointment to the position of General Manager.
However, in order to implement corporate governance, the Company has increased the number of independent directors in excess of the statutory requirement and nominated more than half of the directors who are not concurrently employees or managers, etc., so as to enhance the functions of the Board of Directors and strengthen the supervisory function.

Title	Nationality	Name	Gender Age	Date Elected	Term (years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s)	Executives, Directors or Supervisors who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Note 3: On March 25, 2026, Yeh-Chiang Technology Corp. announced a change in its representative: Mr. Wang Tai-Kuang has been replaced by Mr. Shen Pei-Lin.																				

2.Major shareholder names and shareholding of institutional shareholders

March 30, 2026

Name of Institutional Shareholder	Major shareholders of institutional shareholders	
Xude Investment Co., Ltd.	Cheng, Shih Hsia, Ching-Hsuan Hsia, Liang-Chun	52.92% 20.71% 10.46%
National Development Fund , Executive Yuan	Nil	
Yeh-Chiang Technology Corp.	Rayman Inc. Samoa Feng Lei Investing Co., Ltd. Taipei Fubon Commercial Bank entrusted investing account (Rayman Inc. Samoa) Advance Program Ltd. Supercap Industrial Co., Ltd. Taipei Fubon Commercial Bank entrusted investing account (Kao-Wei Investing Inc.) Bellevuecity Construction Co., Ltd. Weichiang Ltd. Samoa Investment Account of Wei Dan Co. Ltd. Investment Account of Summer Horizon Co. Ltd.	 10.49% 10.36% 10.04% 9.83% 9.35% 8.87% 8.59% 8.37% 8.24% 4.76%

3.Major shareholder names and shareholding of institutional shareholders who are the major shareholders of the institutional shareholders of the Company

March 30, 2026

Name of Institutional Shareholder	Major shareholders of institutional shareholders	
Rayman Inc. Samoa	Bestrime Inc.	100%
Feng Lei Investing Co. Ltd.	Xinli Trading Co., Ltd.	100%
Advance Program Ltd.	Holdings Limited Tseng, Hui	99.91% 0.09%
Supercap Industrial Co., Ltd.	Holdings Limited Tseng, Wan-Chung Tseng, Hui Tseng, Wan-Jie	99.50% 0.17% 0.17% 0.16%
Bellevuecity Construction Co., Ltd.	City International Ltd.	100%
Weichiang Ltd. Samoa	Bestrime Inc.	100%
Investment Account of Wei Dan Co., Ltd.	Tseng, Wan-Chung	0%
Investment Account of Summer Horizon Co., Ltd.	Tseng, Wan-Chung	100%

4.Information Disclosure of Director Professional Qualifications and the Independence of Independent Directors

April 10, 2026

Criteria / Name	Professional Qualifications and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Shieh, Raui-Mu	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • Current Chairman of the Company, person-in-charged of Quaser Europe Technical Center Gmbh • No violation to the subparagraphs of Article 30 of the Company Act.	Nil	—
Xude Investment Co., Ltd. Representative: Hsia, Ching-Hsuan	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • No violation to the subparagraphs of Article 30 of the Company Act.	Nil	—
National Development Fund , Executive Yuan Representative: Lai, Yung-Hsiang	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • No violation to the subparagraphs of Article 30 of the Company Act.	Nil	—
Yeh-Chiang Technology Corp. Representative: Wang, Tai-Kuang (Note 3)	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • Currently Chairman of Yeh-Chiang Technology Corp. • No violation to the subparagraphs of Article 30 of the Company Act.	Nil	—
Yeh-Chiang Technology Corp. Representative: Pei-Lin Shen (Note 3)	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • Currently Legal Representative Directorof Yeh-Chiang Technology Corp. • No violation to the subparagraphs of Article 30 of the Company Act.	Nil	—
Chen, Chun-Ya	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • No violation to the subparagraphs of Article 30 of the Company Act.	Nil	—

Criteria / Name	Professional Qualifications and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chen, Hsin-Liang	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business. • No violation to the subparagraphs of Article 30 of the Company Act.	• An Independent Director of the Company, who meets the criteria for independence. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., are not directors, supervisors, or employees of the Company or other affiliated companies. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., do not hold any shares of the Company. • He/she is not a Director, Supervisor, or Employee of a company that has a specific relationship with the Company. • No remuneration was received for business, legal, financial, or accounting services provided by the Company or other affiliates in the last two years.	—
Lin, Chang-Chih	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • No violation to the subparagraphs of Article 30 of the Company Act.	• An Independent Director of the Company, who meets the criteria for independence. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., are not directors, supervisors, or employees of the Company or other affiliated companies. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., do not hold any shares of the Company. • He/she is not a Director, Supervisor, or Employee of a company that has a specific relationship with the Company. • No remuneration was received for business, legal, financial, or accounting services provided by the Company or other affiliates in the last two years.	—
Chen, Run-Qing	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business. • Lecturers or higher-level faculty from public or private universities, with majors related to business, law, finance, accounting, or corporate operations. • No violation to the subparagraphs of Article 30 of the Company Act.	• An Independent Director of the Company, who meets the criteria for independence. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., are not directors, supervisors, or employees of the Company or other affiliated companies. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., do not hold any shares of the Company. • He/she is not a Director, Supervisor, or Employee of a company that has a specific relationship with the Company. • No remuneration was received for business, legal, financial, or accounting services provided by the Company or other affiliates in the last two years.	—

Criteria / Name	Professional Qualifications and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lin, Feng-Zhih	• Lecturers or higher-level faculty from public or private universities, with majors related to business, law, finance, accounting, or corporate operations. • No violation to the subparagraphs of Article 30 of the Company Act.	• An Independent Director of the Company, who meets the criteria for independence. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., are not directors, supervisors, or employees of the Company or other affiliated companies. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., do not hold any shares of the Company. • He/she is not a Director, Supervisor, or Employee of a company that has a specific relationship with the Company. • No remuneration was received for business, legal, financial, or accounting services provided by the Company or other affiliates in the last two years.	2

Note 1:Professional qualifications and experience: Describe the professional qualifications and experience of individual Directors and Supervisors. If they are members of the Audit Committee with accounting or financial expertise, their accounting or financial backgrounds and work experience should be described, and it should also be stated whether or not they have not been subject to any of the circumstance set forth in Article 30 of the Companies Act.

Note 2:Independent Directors shall describe the circumstances under which they meet the independence requirements, including but not limited to whether they, their spouses, relatives within the second degree of kinship, etc., are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares of the Company held by themselves, their spouses, relatives within the second degree of kinship, etc., or those under nominee arrangements; whether they are directors, supervisors or employees of a company that has a specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received during the last two years for services rendered to the Company or its affiliates in business, legal, financial, accounting and other areas.

Note 3:On March 25, 2026, Yeh-Chiang Technology Corp. announced a change in its representative: Mr. Wang Tai-Kuang has been replaced by Mr. Shen Pei-Lin.

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5.The Professionalism, Diversification and Independence of the Board of Directors

(1) The Professionalism of the Board of Directors:

The Company adopts the candidate nomination system in accordance with the Company's Articles of Incorporation to evaluate each candidate's academic qualifications, professional background, integrity or relevant professional qualifications, etc., and submits them to the shareholders' meeting for election upon the resolution of the Board of Directors. Pursuant to Article 20, Paragraph 4 of the "Corporate Governance Best Practice Principle" of the Company, members of the Board of Directors shall generally possess the knowledge, skills and qualifications necessary in performing their duties. In order to achieve the Company's desired corporate governance goals, the Board of Directors as a whole shall be equipped with the following capabilities:

A. Business judgment
B. Accounting and financial analysis
C. Business management
D. Crisis management
E. Industrial knowledge
F. Global market perception
G. Leadership
H. Decision-making

(2) The Diversification of the Board of Directors:

As part of the Company's policy to diversify its Board of Directors, strengthen corporate governance, and promote the development of a sound composition and structure of the Board, the diversity policy under Article 20, Paragraph 3 of the Company's " Corporate Governance Best Practice Principle" indicates that the Company's diversification goal is to have at least one female Board member and no more than one-third of the members are employees of the Company. In line with the global trend toward gender equality, the company is committed to promoting gender balance in its board of directors and plans to increase the number of female board members in the future.

Currently, there are nine Board members, and the implementation of diversity among all Board members is as follows:

- The percentage of female directors is 11% while the percentage of male directors is 89%.
- Among the directors, five are aged 71 or above, three are aged 51 to 60, and one is aged below 50.
- The core items of diversity for each director are as follows:

Core Items of Diversity / Name of Director		Basic Composition				Industry Experience				Professional Ability				Terms of Office	
		Nationality	Gender	Age	Employee Of the Company	Business Development	Management Capabilities	Leadership and Decision-making	Global Market Perception	Business Affairs	Legal Affairs	Finance Accounting	Risk Management	Lesser than 3 Years	3~9 Years
Director	Shieh, Raui-Mu	Republic of China	Male	71~80	Chairman of the Company	V	V	V	V	V			V		
Director	Hsia, Ching-Hsuan	Republic of China	Female	51~60	Nil	V	V	V	V	V			V		
Director	Lai, Yung-Hsiang	Republic of China	Male	51~60	Nil	V	V	V	V	V			V		
Director	Wang, Tai-Kuang (Note)	Republic of China	Male	71~80	Nil	V	V	V	V	V			V		
Director	Pei-Lin Shen (Note)	Republic of China	Male	71~80	Nil	V	V	V	V	V	V		V		
Director	Chen, Chun-Ya	Republic of China	Male	71~80	Nil	V	V	V	V	V			V		
Independent Director	Chen, Hsin-Liang	Republic of China	Male	71~80	Nil	V	V	V	V	V	V		V		V
Independent Director	Lin, Chang-Chih	Republic of China	Male	41~50	Nil	V	V	V	V	V			V		V
Independent Director	Chen, Run-Qing	Republic of China	Male	71~80	Nil	V	V	V	V	V		V	V	V	

Independent Director	Lin, Feng-Zhih	Republic of China	Male	51~60	Nil	V	V	V	V	V			V	V	

Note:On March 25, 2026, Yeh-Chiang Technology Corp. announced a change in its representative: Mr. Wang Tai-Kuang has been replaced by Mr. Shen Pei-Lin.

If the representation of either gender on the company's board of directors is less than one-third, the Company will explain the reasons and outline the measures planned to enhance gender diversity on the board.

A. Reason for the situation: The Company has a board of 9 directors, as established in its Articles of Incorporation. The current board was elected at the shareholders' meeting on May 31, 2024. However, there is only one female director, which, while in compliance with the relevant regulations at the time, does not meet the one-third gender representation requirement. This is primarily due to the nature of the industry, where finding suitable talent in a short period is challenging.

B. Measures to be taken: Prior to the next board election, the Company will actively seek recommendations for potential candidates through various channels, including industry networks and academic institutions, in order to enhance corporate governance and promote board diversity.

(3) Board Independence:

The current Board of Directors of the Company consists of nine Directors, including four Independent Directors, accounting for 44% of the total number of Directors. the four Independent Directors are in compliance with the regulations of the Securities and Futures Bureau, Financial Supervisory Commission regarding Independent Directors, and there are no violations of Article 26-3, Paragraphs 3 and 4, of the Securities and Exchange Act among the Directors and the Independent Directors.

(2) Information on General Manager,Assistant General Managers, Assistant General Managers, and the Chiefs of all the Divisions and Branch Units

March 30, 2026; Unit: Number of Shares; %

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s)	Managers who are Spouses or within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	Republic of China	Hsieh, Tien-Hsin	Male	June 01, 2019	962,014	1.75	—	—	—	—	Master of EMBA, Tunghai University Business Manager of Paili Machinery Co., Ltd. Product Planning Manager of Hwa Lhing Industrial Co., Ltd. Technical Department Assistant Vice President of Quaser Machine Tools, INC.	Person-in-charge of Quaser Europe Technical Center AG, Quaser America Machine Tools, Inc., Winbro Group UK Limited, Winbro Group Technologies Limited and Winbro Group Technologies LLC. Executive Director of the Taiwan Machine Tool & Accessory Builders' Association. General Manager of Zhongshan Xuguang Machinery Technology Co., Ltd.	Nil	Nil	Nil	(Note 2)
Deputy General Manager	Republic of China	Chuang, Yung-Huang	Male	July 01, 2020	—	—	—	—	—	—	Executive Master Program of Business Administration, Providence University Technical Department Assistant Vice President of Quaser Machine Tools, INC. Production Department Assistant Vice President of Quaser Machine Tools, INC. Materials Department Assistant Vice President of Quaser Machine Tools, INC. Chairman of Kunshan Quaser Machine Tools, Inc.	Nil	Nil	Nil	Nil	(Note 3)
Deputy General Manager	Republic of China	Huang, Kuo-Chin	Male	January 03, 2022	44,000	0.08	12,000	0.02	—	—	Part-time Student of Senior Management, NCKU General Manager of Quick-tech Machinery Co., Ltd.	Chairman of Kunshan Quaser Machine Tools, Inc.	Nil	Nil	Nil	
Deputy General Manager	Republic of China	Lin,Jo-Chen	Female	August 11,2025	—	—	—	—	—	—	Ph.D. in Environmental Engineering, National Taiwan University Deputy Director, Division I, Taiwan Institute of Economic Research CEO, Taiwan Hydrogen and Fuel Cell Partnership	Deputy Director, Hydrogen Energy Research Center, National Central University. Independent Director, Great Taipei Gas Corp.	Nil	Nil	Nil	(Note 4)

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse and Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s)	Managers who are Spouses or within Two Degrees of Kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Assistant Vice President of Management Department/ Accounting Supervisor	Republic of China	Lin,Yu-Hsin	Female	October 01, 2021	28,000	0.05	—	—	—	—	Department of Economics, NTHU Audit Department Manager of PricewaterhouseCoopers Taiwan Accounting Supervisor of Quaser Machine Tools, INC. Management Department Manager of Quaser Machine Tools, INC. Winbro Group Technologies Limited Finance Director	Winbro Group Technologies Limited Chief Financial Officer	Nil	Nil	Nil	
Audit Supervisor	Republic of China	Chan,Hui-Yen	Female	November 03, 2022	—	—	—	—	—	—	Department of Accounting, NCUE Audit Department Deputy Manager of PricewaterhouseCoopers Taiwan Finance Manager of Quaser Machine Tools, INC.	Nil	Nil	Nil	Nil	
Assistant Vice President of R&D Department	Republic of China	Hung,Ming-Hung	Male	April 01, 2020	—	—	—	—	—	—	Precision Mechanical Design, NCUT Graduate School Design Section Manager of Quaser Machine Tools, INC. R&D Manager of Quaser Machine Tools, INC.	Nil	Nil	Nil	Nil	
Assistant Vice President of Production Department	Republic of China	Chen, Kuan-Hung	Male	April 01, 2026	—	—	—	—	—	—	Department of Mechanical Manufacturing Engineering, National Formosa University Design Section Manager of Quaser Machine Tools, INC. Manager, Production Division of Quaser Machine Tools, INC.	Member of the Board of Supervisors of Kunshan Quaser Machine Tools, Inc.				(Note 5)

Note 1: Those who are not at the Assistant Vice President level or above, or Supervisors/Unit Supervisors who are not appointed by the Board of Directors in accordance with the law, or those whose positions are concurrently held by officers not at the Assistant Vice President level or above, are not disclosed.

Note 2: The Chairman of the Company, Mr. Shieh, Raui-Mu, and the General Manager, Mr. Hsieh, Tien-Hsin, are first degree relatives. Mr. Hsieh, Tien-Hsin, in addition to his many years of working experience in the Quaser Group, was also involved in the technical department and the execution of overseas business, and is familiar with the operation of the Company. Therefore, the Board of Directors has approved his appointment to the position of General Manager.
However, in order to implement corporate governance, the Company has increased the number of independent directors in excess of the statutory requirement and nominated more than half of the directors who are not concurrently employees or managers, etc., so as to enhance the functions of the Board of Directors and strengthen the supervisory function.

Note 3: Retired and resigned from the position of Deputy General Manager on February 28, 2025.

Note 4: Appointed as Assistant Vice President of Production Department on August 11, 2025.

Note 5: Promoted to Assistant Vice President of the Production Department on April 1, 2026.

2. Recent Remuneration to Directors, Supervisors, General Manager and Deputy General Manager

(1) Remuneration of Directors and Independent Directors

Unit: NT$ thousand; %

Title	Name	Director Remuneration								The Sum of A, B, C, D as a Percentage of After-tax Net Profit (%)		Remuneration from Other Positions								The Sum of A, B, C, D, E, F and G as a Percentage of After-tax Net Profit (%)		Remuneration from Investments other than Subsidiaries
		Remuneration (A)		Retirement Pension (B)		Director Remuneration (C) (Note 3)		Business Execution Expenses (D)				Remuneration, Bonus and Special Fees (E)		Retirement Pension (F)		Employee Remuneration (G)						
																The Company		All Companies within the Consolidated Financial Statements				
		The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	Cash	Stock	Cash	Stock	The Company	All Companies within the Consolidated Financial Statements	
Chairman	Shieh, Raui-Mu	3,146	3,146	-	-	-	-	-	-	3,146 (2.14%)	3,146 (2.14%)	-	-	-	-	-	-	-	-	3,146 (2.12%)	3,146 (2.12%)	Nil
Director	Xude Investment Co., Ltd.Representative: Hsia, Ching-Hsuan	-	-	-	-	-	-	15	15	15 (0.01%)	15 (0.01%)	-	-	-	-	-	-	-	-	15 (0.01%)	15 (0.01%)	Nil
Director	Yeh-Chiang Technology Corp.Representative: Wang, Tai-Kuang	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 0%	- 0%%	Nil
Director	Yeh-Chiang Technology Corp.Representative Pei-Lin Shen (Note 4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 0%	- 0%%	Nil
Director	National Development Fund, Executive Yuan Representative:Lai, Yung-Hsiang	-	-	-	-	-	-	12	12	12 (0.01%)	12 (0.01%)	-	-	-	-	-	-	-	-	12 (0.01%)	12 (0.01%)	Nil
Director	Chen, Chun-Ya	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- 0%	- 0%	Nil
Independent Director	Chen, Hsin-Liang	360	360	-	-	-	-	15	15	375 (0.26%)	375 (0.26%)	-	-	-	-	-	-	-	-	375 (0.26%)	375 (0.26%)	Nil
Independent Director	Lin, Chang-Chih	360	360	-	-	-	-	12	12	372 (0.26%)	372 (0.26%)	-	-	-	-	-	-	-	-	372 (0.26%)	372 (0.26%)	Nil
Independent Director	Chen, Run-Qing	360	360	-	-	-	-	15	15	375 (0.26%)	375 (0.26%)	-	-	-	-	-	-	-	-	375 (0.26%)	375 (0.26%)	Nil
Independent Director	Lin, Feng-Zhih	360	360	-	-	-	-	15	15	375 (0.26%)	375 (0.26%)	-	-	-	-	-	-	-	-	375 (0.26%)	375 (0.26%)	Nil

1. Describe the payment policy, system, standard and structure of remuneration for Directors and independent Directors of the Company, and the relevance of duty, risk, the time spent and other factors to be considered in the amount of remuneration:
   In accordance with Article 30-3 of the Company's Articles of Incorporation, the amount of Directors' remuneration is determined by reference to the value of the Directors' contributions to the Company, the Company's operating performance, and the domestic and foreign standar remuneration.
2. In addition to the above table, the remuneration received by the Directors of the Company for services rendered to all the companies included in the financial statements (e.g. acting as consultants while not being employees, etc.) for the most recent year: None.
3. The amount of directors' remuneration to be paid in 2024 is based on estimates. The actual amount of directors' remuneration to be paid individually will be subject to the resolution approved by the Board of Directors of the Company.
4. On March 25, 2026, Yeh-Chiang Technology Corp. announced a change in its representative: Mr. Wang Tai-Kuang has been replaced by Mr. Shen Pei-Lin.

Range of Remuneration

Range of Remuneration to Directors	Name of Director			
	Total Amount of the First Four Remunerations (A+B+C+D)		Total Amount of the First Seven Remunerations (A+B+C+D+E+F+G)	
	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements
Lower than 1,000,000	Yeh-Chiang Technology Corp.Representative: Wang, Tai-Kuang/Yeh-Chiang Technology Corp.Representative Pei-Lin Shen / Chen, Hsin-Liang/Lin, Chang-Chih/Chen, Run-Qing/Lin, Feng-Zhih/ Xude Investment Co., Ltd.Representative: Hsia, Ching-Hsuan/ Chen, Chun-Ya/National Development Fund, Executive Yuan Representative:Lai, Yung-Hsiang/	Yeh-Chiang Technology Corp.Representative: Wang, Tai-Kuang/Yeh-Chiang Technology Corp.Representative Pei-Lin Shen / Chen, Hsin-Liang/Lin, Chang-Chih/Chen, Run-Qing/Lin, Feng-Zhih/ Xude Investment Co., Ltd.Representative: Hsia, Ching-Hsuan/ Chen, Chun-Ya/National Development Fund, Executive Yuan Representative:Lai, Yung-Hsiang/	Yeh-Chiang Technology Corp.Representative: Wang, Tai-Kuang/Yeh-Chiang Technology Corp.Representative Pei-Lin Shen / Chen, Hsin-Liang/Lin, Chang-Chih/Chen, Run-Qing/Lin, Feng-Zhih/ Xude Investment Co., Ltd.Representative: Hsia, Ching-Hsuan/ Chen, Chun-Ya/National Development Fund, Executive Yuan Representative:Lai, Yung-Hsiang/	Yeh-Chiang Technology Corp.Representative: Wang, Tai-Kuang/Yeh-Chiang Technology Corp.Representative Pei-Lin Shen / Chen, Hsin-Liang/Lin, Chang-Chih/Chen, Run-Qing/Lin, Feng-Zhih/ Xude Investment Co., Ltd.Representative: Hsia, Ching-Hsuan/ Chen, Chun-Ya/National Development Fund, Executive Yuan Representative:Lai, Yung-Hsiang/
1,000,000 (inclusive) ～2,000,000 (exclusive)	–	–	–	–
2,000,000 (inclusive) ～3,500,000 (exclusive)	Shieh, Raui-Mu	Shieh, Raui-Mu	Shieh, Raui-Mu	Shieh, Raui-Mu
3,500,000 (inclusive) ～5,000,000 (exclusive)	–	–	–	–
5,000,000 (inclusive) ～10,000,000 (exclusive)	–	–	–	–
10,000,000 (inclusive) ～15,000,000 (exclusive)	–	–	–	–
15,000,000 (inclusive) ～30,000,000 (exclusive)	–	–	–	–
30,000,000 (inclusive) ～50,000,000 (exclusive)	–	–	–	–
50,000,000 (inclusive) ～100,000,000 (exclusive)	–	–	–	–
100,000,000 or more	–	–	–	–

Range of Remuneration to Directors	Name of Director			
	Total Amount of the First Four Remunerations (A+B+C+D)		Total Amount of the First Seven Remunerations (A+B+C+D+E+F+G)	
	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements
Total	10 people	10 people	10 people	10 people

(2) Remuneration to General Manager and Deputy General Manager

Unit: NT$ thousand; %

Title	Name	Salary (A)		Retirement Pension (B)		Bonus and Special Fees (C)		Employee Remuneration (D) (Note 1)				The Sum of A, B, C and D as a Percentage of After-tax Net Profit (%)		Remuneration from Investments other than Subsidiaries
		The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	The Company		All Companies within the Consolidated Financial Statements		The Company	All Companies within the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Hsieh, Tien-Hsin	3,610	3,610	1,032	1,032	600	600	-	-	-	-	5,242 (3.57%)	5,242 (3.57%)	-
Deputy General Manager	Chuang, Yung-Huang (Note 1)	247	247	1,503	1,503	-	-	-	-	-	-	1,750 (1.19%)	1,750 (1.19%)	-
Deputy General Manager	Huang, Kuo-Chin	2,047	2,572	108	108	373	1,565	-	-	-	-	2,528 (1.72%)	4,245 (2.89%)	-
Deputy General Manager	Lin, Jo-Chen (Note 2)	764	764	42	42	-	-	-	-	-	-	806 (0.55%)	806 (0.55%)	-

Note 1 Retired and resigned from the position of Deputy General Manager on February 28, 2025.
Note 2 Appointed as Vice President, effective August 11, 2025.

Range of Salary

Range of Salary paid to General Manager and Deputy General Manager	Name of General Manager and Deputy General Manager	
	The Company	All Companies within the Consolidated Financial Statements
Lower than 1,000,000	Lin, Jo-Chen	Lin, Jo-Chen
1,000,000 (inclusive) ～2,000,000 (exclusive)	Chuang, Yung-Huang	Chuang, Yung-Huang
2,000,000 (inclusive) ～3,500,000 (exclusive)	Huang, Kuo-Chin	—
3,500,000 (inclusive) ～5,000,000 (exclusive)	—	Huang, Kuo-Chin
5,000,000 (inclusive) ～10,000,000 (exclusive)	Hsieh, Tien-Hsin	Hsieh, Tien-Hsin
10,000,000 (inclusive) ～15,000,000 (exclusive)	—	—
15,000,000 (inclusive) ～30,000,000 (exclusive)	—	—
30,000,000 (inclusive) ～50,000,000 (exclusive)	—	—
50,000,000 (inclusive) ～100,000,000 (exclusive)	—	—
100,000,000 and more	—	—
Total	4 people	4 people

(3) Remuneration of the Top Five Highest Paid Supervisors

Title	Name	Salary (A)		Retirement Pension (B)		Bonus and Special Fees (C)		Employee Remuneration (D) (Note 1)				The Sum of A, B, C and D as a Percentage of After-tax Net Profit (%)		Remuneration from Investments other than Subsidiaries or Parent Company
		The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements	The Company		All Companies within the Consolidated Financial Statements		The Company	All Companies within the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Hsieh, Tien-Hsin	3,610	3,610	1,032	1,032	600	600	-	-	-	-	5,242 (3.57%)	5,242 (3.57%)	-
Deputy General Manager	Huang, Kuo-Chin	2,047	2,572	108	108	373	1,565	-	-	-	-	2,528 1.72%	4,245 2.89%	-
Deputy General Manager	Chuang, Yung-Huang (Note 1)	247	247	1,503	1,503	-	-	-	-	-	-	1,750 1.19%	1,750 1.19%	-
Assistant Vice President of Management Department	Lin, Yu-Hsin	1,458	1,458	108	108	160	160	-	-	-	-	1,726 1.18%	1,726 1.18%	-
Assistant Vice President of R&D Department	Hung, Ming-Hung	1,318	1,318	79	79	200	200	-	-	-	-	1,597 1.09%	1,597 1.09%	

Note 1:Retired and resigned from the position of Deputy General Manager on February 28, 2025.

(4) Managers with Employee Remuneration Distribution

December 31, 2025; Unit: NT$ thousand; %

	Title	Name	Stock Bonus	Cash Bonus	Total	Ratio of Total Amount to Net Income (%)
Managers	General Manager	Hsieh, Tien-Hsin	-	-	-	-
	Deputy General Manager(Note 2)	Chuang, Yung-Huang				
	Deputy General Manager	Huang, Kuo-Chin				
	Deputy General Manager (Note 3)	Lin, Jo-Chen				
	Assistant Vice President of R&D Department	Hung, Ming-Hung				
	Assistant Vice President of Management Department	Lin, Yu-Hsin				
	Audit Supervisor	Chan, Hui-Yen				

Note 1:Those who are not at the Assistant Vice President level or above, or Supervisors/Unit Supervisors who are not appointed by the Board of Directors in accordance with the law, or those whose positions are concurrently held by officers not at the Assistant Vice President level or above, are not disclosed.

Note 2:Retired and resigned from the position of Deputy General Manager on February 28, 2025.

Note 3:Appointed as Vice President, effective August 11, 2025.

(5) Compare and describe the analysis of the total remuneration paid to the Company's Directors, General Managers and Deputy General Managers as a percentage of net income after tax for the most recent two years for the Company and all companies within the consolidated statements, either individually or as part of their respective financial statements, and describe the policies, standards, and packages for such remuneration, the procedures for setting such remuneration, and the relationship to operating performance and future risks:

1. Analysis of Total Remuneration Paid to the Company's Directors, General Manager and Deputy General Manager as a Percentage of Net Income After Tax for the Last Two Years for Individual or Respective Financial Statements:

Year / Title	2025		2024	
	Ratio to After-tax Net Income (%)		Ratio to After-tax Net Income (%)	
	The Company	All Companies within the Consolidated Financial Statements	The Company	All Companies within the Consolidated Financial Statements
Director	(3.18)	(3.18)	5.71	5.71
General Manager and Deputy General Manager	(7.03)	(8.20)	4.45	5.4

Note 1: Since the Company has established an Audit Committee, the disclosure of the Supervisor's remuneration is not applicable.

2. The policies, standards and packages for remuneration, the procedures for determining remuneration, and the relationship to operating performance and future risks.:

(1)Policies, Standards and Packages for Remuneration:

A. The remuneration of the Directors of the Company consists of three parts, which include the remuneration of the Independent Directors, Directors' Remuneration and Business Execution Expenses:

(A).Remuneration of Independent Directors: Independent Directors shall be paid a monthly salary by the Company regardless of the Company's profit or loss while performing their duties for the Company, which may be set or adjusted by the Company's Remuneration Committee in accordance with their participation in the Company's operations and the value of their contribution, and submitted to the Board of Directors for resolution. The Company's Independent Directors are not eligible to the distribution of Directors' remuneration as stipulated in the Company's Articles of Incorporation.

(B).Remuneration of Directors: In accordance with Article 30-3 of the Company's Articles of Incorporation, the Company may set aside up to 2.07% of the Company's annual profits (if any) for the purpose of determining the remuneration of individual Directors based on the Company's operating performance, as well as the assessment results of the duties, responsibilities, and performance of the individual Directors.

(C).Business execution expenses are in a fixed amount based on the actual number of board meetings attended.

B. The Company's managers are compensated as if they were regular employees. Depending on the Company's operating and profitability conditions, the Company's managers are evaluated based on their participation in the Company's operations, their scope of responsibilities within the Company, the circumstances under which they hold their positions, and their performance evaluations, taking into account his/her ability in realizing the Company's core values and operational management, financial and business performance indicators, and general management indicators, as well as other special contributions or significant negative events, he/she may be then be reasonably compensated with various prizes, bonuses and benefits accordingly. The Company provides bonuses, year-end bonuses, and other

remuneration in accordance with the Company's "Rules Governing the Remuneration of Managers," the scope of responsibilities of the position, and the degree of its contribution to the Company's operating performance. In addition, if there is a profit in the current year, the Company shall, in accordance with Article 30-3 of the Articles of Incorporation, provide the employees with a remuneration of not less than 5.52% of the total amount.(At least 50% of the employee compensation shall be allocated for salary adjustments or distributed as bonuses to entry-level employees.)The remuneration will be calculated with reference to the financial operating performance data and non-financial contribution of each manager's responsible unit, and the remuneration system will be reviewed in a timely manner based on the actual operating conditions and relevant laws and regulations.

C. The Company's remuneration packages, including cash compensation, stock options, severance pay, various allowances and other benefits with tangible incentives, are subject to review by the Remuneration Committee and discussion by the Board of Directors before being distributed.

(2) Procedures for Determining the Remuneration of Directors, General Manager and Deputy General Manager of the Company.

A.The performance evaluation of the Company is based on the "Rules Governing the Performance Evaluation of the Board of Directors" and the "Rules Governing the Remuneration of Managers". In addition to making reference to the Company's overall operational performance, future risks and development trends of the industry, the Directors' remuneration is also internally evaluated through a self-assessment questionnaire. The evaluation indicators include: understanding of the Company's goals and tasks, the Directors' awareness of their duties and responsibilities, the extent of their participation in the Company's operations, the professionalism of the Directors and their continuing education, the results of internal control, etc., and the degree of their contribution to the Company, all of which result in the granting of a reasonable remuneration. As for the remuneration of General Manager and Deputy General Manager, they are approved with reference to the performance of the individual manager, the unit in charge, and the correlation between the Company's overall operational performance and future risks, which are then proposed by the Remuneration Committee and submitted to the Board of Directors for resolution.

B. The reasonableness of the performance appraisal and remuneration of the Company's Directors and managers are evaluated and reviewed by the Remuneration Committee and the Board of Directors on a regular basis each year, not only by making reference to the aforementioned factors, but also by taking into account the current trend of corporate governance, before granting them a reasonable remuneration in order to strike a balance between the Company's sustainable operation and risk control. The actual amount of remuneration to the Directors and Managers in 2025 has been reviewed and approved by the Remuneration Committee before being put forward to the Board of Directors for approval.

(3) Correlation between Operating Results and Future Risks:

A. The Company's remuneration policy is determined primarily on the basis of the Company's overall operating conditions, and the standard of payment is determined based on the accomplishment rate and contribution of each unit, which reflects the operating efficiency of the Board of Directors and the management team. In addition, the Company makes reference to the industry's remuneration standards to ensure that the remuneration of the Company's management is competitive in the industry, so as to retain outstanding management talents.

B. The Company combines managerial performance goals with the "Risk Control" in order to ensure the management and prevention of possible risks within the scope of responsibilities, and integrates all relevant human resources and relevant salary and remuneration policies in accordance with the results of actual performance assessment. The management of the Company evaluates various present and future risk factors and makes appropriate assessments before making important decisions. The performance of such decisions is reflected in the Company's profitability, and

thus the remuneration of the management is associated with the performance of risk control.

C. Correlation of Future Risks: The Company's remuneration will be evaluated and adjusted in consideration of future changes in the environment and operating performance, and Directors and Managers who are involved in unlawful acts that result in losses to the Company may be subject to disciplinary action as required by law.

3. Corporate Governance Status

(1) Operation of the Board of Directors

A total of six Board meetings were held as of the publication date of the annual report of the Board of Directors in 2025 and 2026 as of December 31, and the Directors' attendance at these meetings was as follows:

Title	Name	Actual No. of Meetings Attended	No. of Meetings with Entrusted Attendance	Actual Attendance Rate	Remarks
Chairman	Shieh, Raui-Mu	6	0	100.00%	Re-elected on May 31, 2024
Director	Xude Investment Co., Ltd. Representative: Hsia, Ching-Hsuan	6	0	100.00%	Re-elected on May 31, 2024
Director	National Development Fund , Executive Yuan Representative: Lai, Yung-Hsiang	5	1	83.33%	Re-elected on May 31, 2024
Director	Yeh-Chiang Technology Corp. Representative: Wang, Tai-Kuang	0	6	0%	Re-elected on May 31, 2024
Director	Yeh-Chiang Technology Corp. Representative: Pei-Lin Shen	-	-	-	On March 25, 2026, Yeh-Chiang Technology Corp. announced a change in its representative.
Director	Chen, Chun-Ya	6	-	100.00%	Re-elected on May 31, 2024
Independent Director	Chen, Hsin-Liang	6	-	100.00%	Re-elected on May 31, 2024
Independent Director	Lin, Chang-Chih	6	-	100.00%	Re-elected on May 31, 2024
Independent Director	Chen, Run-Qing	6	-	100.00%	Newly-elected on May 31, 2024
Independent Director	Lin, Feng-Zhih	6	-	100.00%	Newly-elected on May 31, 2024

Other matters to be recorded:

1. If any of the following circumstances occurs in the operation of the board meeting, please indicate the date of the board meeting, the session number, the contents of the motion, the opinions of all independent Directors and the Company’s handling of the opinions of the Independent Directors:
   (1) Matters listed in Article 14-3 of the Securities Exchange Act: Please refer to pages 77 to 79.
   (2) Other than the aforementioned matters, the board resolutions which Independent Directors object to or have reservations about and there are records or written statements for them: The Company did not encounter any of the circumstances.
2. For the situation where a Director avoids a motion related to his/her own interests, please specify the Director’s names, the contents of the motion, the reasons for the avoidance of interests and the voting results: The Company did not encounter any of the circumstances.

Board Meeting Date/Session	Content(s) of the Motion	Name of Director	Reason for Avoidance	Participation in Voting
March 11, 2025/ 11-05	2024 managers' year-end bonus payout	Shieh, Raui-Mu	Involvement of the party's relative's interest	Avoidance during discussion and voting

November 06, 2025/ 11-08	The distribution of board directors' remunerations for the year 2024	Shieh, Raui-Mu, Yeh-Chiang Technology Corp. and its representative(s) Wang, Tai-Kuang, Xude Investment Co., Ltd. and its representative(s) Hsia, Ching-Hsuan, Chen, Chun-Ya, National Development Fund , Executive Yuan and its representative(s) Lai, Yung-Hsiang	Involvement of the party's interest	Avoidance during discussion and voting
November 06, 2025/ 11-08	The distribution of manager’s employee remunerations for the year 2024	Shieh, Raui-Mu	Involvement of the party's relative's interest	Avoidance during discussion and voting
March 10, 2026/ 11-10	2025 Chairman's year-end bonus payout	Shieh, Raui-Mu	Involvement of the party's interest	Avoidance during discussion and voting

3. Information on the evaluation cycle and period, scope, method and content of the Board's self (or peer) assessment.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once per Year	January 01, 2025 to December 31, 2025	Board of Directors, individual Board members and functional committees (including Audit Committee, Remuneration Committee, Sustainable Development Committee and Risk Management Committee)	Internal self-assessment of the Board and self-assessment by Board members	The items measured in the evaluation of the Board's performance covered the following five major aspects. 1. Participation in Company operations. 2. Improving the Board of Directors’ decision-making quality. 3. Composition and structure of the Board of Directors. 4. Appointment and continuing education of Directors. 5. Internal control. The items measured in the evaluation of individual Board member’s performance covered the following six major aspects. 1. Knowledge of corporate goals and mission 2. Knowledge of Directors’ responsibilities 3. Participation in Company operations 4. Internal relationship management and communication 5. Expertise and continuing education of Directors 6. Internal control. The items measured in the evaluation of the functional committees’ performance covered the following five major aspects. 1. Participation in Company operations 2. Knowledge of functional committee’s responsibilities 3. Improving the functional committee’s decision-making quality. 4. Composition and election of the members of the functional committees. 5. Internal control.

The 2025 assessment has been completed in February 2026, and the results were reported in the Board of Directors' meeting held on March 10,2025.The following results: The overall average score of the Board of Directors' performance self-assessment: 4.88, the overall average score of the Board members' self-assessment: 4.86, the overall score for the Audit Committee's performance self-assessment: 4.99, the overall score for the Remuneration Committee's performance self-assessment: 4.99, the overall score for the Sustainable Development Committee's performance self-assessment:

4.93, and the overall average score of the Risk Management Committee's performance self-assessment:5. The scores ranged from good (agree) to excellent (strongly agree), indicating that the Directors are satisfied that the existing system of the Company's Board of Directors, including all functional committees, has been well established and operated. They have effectively promoted the Company's sustainable development, social responsibility, risk management, and corporate governance, in compliance with relevant laws and regulations.

4. Evaluation of the goals (e.g., establishment of an Audit Committee, strengthening of information transparency, etc.) and implementation status on strengthening the functions of the Board of Directors for the current year and the most recent year.

1. The Company has established a Remuneration Committee on April 20, 2016 to assist the Board of Directors in implementing and evaluating the Company's overall remuneration and welfare policies.
2. The Company's extraordinary shareholders' meeting on August 02, 2016 elected three additional Independent Directors and established an Audit Committee to replace the Supervisor System so as to strengthen the corporate governance functions of the Board of Directors.
3. The Company has appointed a spokesperson and an acting spokesperson, and has been uploading material information related to the Company onto the Market Observation Post System for the purpose of strengthening the transparency of information to the public.
4. On August 7, 2024, the Board of Directors approved the establishment of the "Sustainability Development Committee Organizational Regulations" and resolved to set up the "Sustainability Development Committee" to align with international development trends and achieve sustainability goals. The committee is composed of two independent directors and one senior executive, totaling three members. It meets at least once a year and reports its operations to the Board of Directors. The sustainability performance for 2025 was presented to the Board on December 18, 2025.
5. On August 7, 2024, the Board of Directors approved the revision of the "Risk Management Policy and Procedures" and resolved to establish the "Risk Management Committee" to strengthen risk management. The committee is composed of two independent directors and one senior executive, totaling three members. It meets at least once a year and reports its operations to the Board of Directors. The risk assessment for 2025 was presented to the Board on December 18, 2025.

(2) The operating status of the Audit Committee or Supervisor's participation in the Board of Directors Meeting.

The Company has established an Audit Committee as of August 02, 2016.

1. Items subject to the Audit Committee's auditing include:
   (1) The establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
   (2) Assessment of the effectiveness of the internal control system.
   (3) The procedures for handling significant financial operations such as acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, and endorsing or providing guarantees for others are established or amended in accordance with Article 36-1 of the Securities and Exchange Act.
   (4) Matters in which a Director has a personal interest.
   (5) Significant asset or derivative transactions.
   (6) Significant lending of funds, endorsement or guarantee.
   (7) The raising, issuance, or private placement of securities with an equity nature.
   (8) The appointment, termination or remuneration of CPAs.
   (9) The appointment and dismissal of the supervisor of finance, accounting or internal audit.
   (10) To review and discuss with the CPA(s) the annual financial statements and quarterly financial reports regarding the compliance with the

domestic competent authorities' requirements, which are signed or affixed with seals by the Chairman, the Manager and the Accounting Supervisor.

(11) Other material matters as stipulated by the Company or the competent authorities.

2. Operation of the Audit Committee:
A total of six meetings were held by the Audit Committee in 2025 and 2026 as of the publication date of the annual report, and the attendance of the Independent Directors was as follows.

Title	Name	Actual No. of Meetings Attended	No. of Meetings with Entrusted Attendance	Actual Attendance Rate (%)	Remarks
Independent Director	Chen, Hsin-Liang	6	-	100.00%	Re-elected on May 31, 2024
Independent Director	Lin, Chang-Chih	6	-	100.00%	Re-elected on May 31, 2024
Independent Director	Chen, Run-Qing	6	-	100.00%	Newly-elected on May 31, 2024
Independent Director	Lin, Feng-Zhih	6	-	100.00%	Newly-elected on May 31, 2024

Other matters to be recorded:

1. If any of the following circumstances occurs in the course of the Audit Committee's operations, please indicate the date of the Audit Committee meeting, session number, contents of the motion, as well as independent Directors' objections, reservations, or important suggestions, resolutions of the Audit Committee, and the Company's handling of the Audit Committee's opinions:

(1) Matters listed in Article 14-5 of the Securities Exchange Act:

Audit Committee's Meeting Date/Session	Matters for Discussion	Resolution of the Audit Committee	The Company's Handling of the Audit Committee's Opinions
March 11, 2025/4-5	1. Discussion on the Company's 2024 "Assessment of the Effectiveness of the Internal Control System" and "Statement of Internal Control System". 2. Amendment to the Company's "Sales and Collection Cycle" Internal Control Procedures. 3. Report on significant overdue accounts receivable (outstanding for more than three months) as of December 31, 2024, and January 31, 2025. 4. Discussion on the Company's Derivative Financial Instruments. 5. Proposed short-term financing facilities with financial institutions for working capital requirements. 6. Review and discussion of the 2024 Business Report and Financial Statements. 7. Periodic assessment of the independence and competency of the Certified Public Accountants (CPAs). 8. Amendment to certain provisions of the Company's "General Principles of the Policy for Pre-approval of Non-assurance Services." 9. Amendment to the Company's Articles of Incorporation. 10. Discussion on the 2024 Earnings Distribution.	Approved by resolution of all members present, in accordance with the motion. (Independent Director Objections or Qualified Opinion: None)	Approved by resolution of all members present, in accordance with the motion.
May 08, 2025/4-6	1. Discussion on the 2025 Q1 Consolidated Financial Report and business operations overview. 2. Discussion and ratification of the Company's derivative financial instruments. 3. Report on significant overdue accounts receivable (outstanding for more than three months) as of February 28 and March 31, 2025. 4. Proposal for lending funds to Lerinc Werkzeugmaschinen & Automation GmbH, a subsidiary of the Magdeburger Werkzeugmaschinen & Automation GmbH Group (a related party), to support its operational development needs.	Approved by resolution of all members present, in accordance with the motion. (Independent Director Objections or Qualified Opinion: None)	Approved by resolution of all members present, in accordance with the motion.

Audit Committee's Meeting Date/Session	Matters for Discussion	Resolution of the Audit Committee	The Company's Handling of the Audit Committee's Opinions
August 07, 2025/4-7	1. Amendment to the Company's "Procedures for Managing the Use of Seals." 2. Review and discussion of the 2025 Q2 Consolidated Financial Report and business operations overview. 3. Discussion and ratification of the Company's derivative financial instruments. 4. Proposed short-term financing facilities with financial institutions for working capital requirements. 5. Report on significant overdue accounts receivable (outstanding for more than three months) as of April 30, May 31, and June 30, 2025. 6. Proposal for lending funds to the related party, Magdeburger Werkzeugmaschinen & Automation GmbH, to support its operational development needs. 7. Proposal for the German subsidiary, Quaser Europe Technical Center GmbH, to participate in the cash capital increase of EMC Precision d.o.o. 8. Proposal for a capital increase in Chung Shan Quaser Machine Tools Co., Ltd. (Zhongshan) to expand into the Chinese market. 9. Discussion on the name change of Chung Shan Quaser Machine Tools Co., Ltd. (Zhongshan). 10. Discussion on the Company's 2025 issuance of new common shares for cash capital increase.	Except for Case No. 9, which was withdrawn by the proposing department, all other proposals were approved as submitted by the attending directors. (Dissenting or reserved opinions from Independent Directors: None)	Approved by resolution of all members present, in accordance with the motion.
November 06, 2025/4-8	1. Discussion on the 2025 Q3 Consolidated Financial Report and business operations overview. 2. Report on significant overdue accounts receivable (outstanding for more than three months) as of July 31, August 31, and September 30, 2025. 3. Discussion and ratification of the Company's derivative financial instruments. 4. Proposed short-term financing facilities with financial institutions for working capital requirements. 5. Discussion on the amendment to the previously approved issuance of new shares for cash capital increase, following the Board's resolution to issue new shares via cash capital increase and raise the second domestic unsecured convertible bonds.	Except for Case No. 5, which was withdrawn by the proposing department, all other proposals were approved as submitted by the unanimous resolution of the attending directors. (Dissenting or reserved opinions from Independent Directors: None)	Approved by resolution of all members present, in accordance with the motion.
December 18, 2025/4-9	1. Report on significant overdue accounts receivable (outstanding for more than three months) as of October 31 and November 30, 2025. 2. Discussion and ratification of the Company's derivative financial instruments. 3. Discussion on the Company's 2026 Internal Audit Plan. 4. Amendment to certain provisions of the Company's "General Principles of the Policy for Pre-approval of Non-assurance Services."	Approved by resolution of all members present, in accordance with the motion. (Independent Director Objections or Qualified Opinion: None)	Approved by resolution of all members present, in accordance with the motion.
March 10, 2026/4-10	1. Discussion on the 2025 "Assessment of Internal Control System Effectiveness" and the "Internal Control System Statement." 2. Report on significant overdue accounts receivable (outstanding for more than three months) as of December 31, 2025, and January 31, 2026. 3. Proposed financing facilities with financial institutions for working capital requirements. 4. Review and discussion of the 2025 Business Report and Financial Statements. 5. Periodic assessment of the independence and competency of the Certified Public Accountants (CPAs). 6. Discussion on the appointment of the Certified Public Accountants (CPAs) and their audit fees for the fiscal year 2026. 7. Discussion on the 2025 Deficit Compensation. 8. Amendment to the Company's "Payroll and Personnel Cycle" Internal Control Procedures. 9. Amendment to certain provisions of the Company's "Procedures for Election of Directors."	Approved by resolution of all members present, in accordance with the motion. (Independent Director Objections or Qualified Opinion: None)	Approved by resolution of all members present, in accordance with the motion.

(2) Other than the aforementioned matters, the board resolutions approved by more than two-thirds of the Directors that were not approved by the Audit Committee: None.

2. In case of a conflict of interest in a matter under discussion wherein an independent Director chooses to recuse himself/herself, specify the independent Director's name, content of the motion, reasons for recusal and voting results: None.

3. The communication between the Independent Directors, Audit Supervisor and CPA (which includes material issues, methods and results of communication regarding the Company's financial and business conditions).

(1) Summary of communications between the Independent Directors and the CPA(s).

Date	Communication Highlights	Communication Results
March 11, 2025/4-5	1. The CPAs explained the audit results of the 2024 individual and consolidated financial statements and addressed the key audit results in the communication. 2. The CPAs discussed and communicated the issues raised by the Independent Directors.	The Audit Committee has approved the 2024 financial report and submitted it to the Board of Directors for approval, and has made public announcements and declared it to the competent authorities as scheduled.
March 10, 2026/4-10	1. The CPAs explained the audit results of the 2025 individual and consolidated financial statements and addressed the key audit results in the communication. 2. The CPAs discussed and communicated the issues raised by the Independent Directors.	The Audit Committee has approved the 2025 financial report and submitted it to the Board of Directors for approval, and has made public announcements and declared it to the competent authorities as scheduled.

(2) Summary of communications between the Independent Directors and the Audit Supervisor (s).

Date	Communication Highlights	Communication Results
March 11, 2025/4-5	1. Key Audit Report for December 2024~February 2025. 2. 2024 Statement of Internal Control System	The Independent Directors had no objections to the report on the audit results upon discussion and communication.
May 08, 2025/4-6	1. Key Audit Report for March 2025.	The Independent Directors had no objections to the report on the audit results upon discussion and communication.
August 07, 2025/4-7	1. Key Audit Report for April 2025~June 2025.	The Independent Directors had no objections to the report on the audit results upon discussion and communication.
November 06, 2025/ 4-8	1. Key Audit Report for July 2025~October 2025.	The Independent Directors had no objections to the report on the audit results upon discussion and communication.
December 18, 2025/4-9	1. Key Audit Report for November 2025. 2. 2026 Audit Plan.	The Independent Directors had no objections to the report on the audit results upon discussion and communication.
March 10, 2026/4-10	1.Key Audit Report for December 2025~February 2026. 2. 2025 Statement of Internal Control System.	The Independent Directors had no objections to the report on the audit results upon discussion and communication.

(3) Corporate Governance Status, Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company follow the Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies, and has the Company established and disclosed its own Corporate Governance Best Practice Principles?	V		The Company has established the "Corporate Governance Best Practice Principles" on March 16, 2023 to safeguard shareholders' rights and interests, strengthen the functions of the Board of Directors, respect the rights and interests of stakeholders, and enhance the transparency of information. The Company's website can be accessed at https://www.quaser.com/tw/Investors/Corporate Governance/Important Articles and Market Observation Post System/Corporate Governance/Relevent rules for the Establishment of Corporate Governance.	No major difference.
2. The Company's shareholding structure and shareholders' equity (1) Has the Company set up internal operating procedures to handle shareholder proposals, doubts, disputes and litigation matters and followed the procedures?	V		(1) The Company has set up a spokesperson and acting spokesperson system, and the Company's website also provides a dedicated e-mail address to handle shareholders' proposals, doubts, disputes and litigation-related matters.	(1) No major difference.
(2) Does the Company have a list of its major shareholders and the ultimate controllers of the major shareholders?	V		(2) The Company manages a list of major shareholders and their ultimate controllers in order to ensure the stability of its business operations. In addition, changes in the shareholdings of directors, managers, and major shareholders holding 10% or more of the shares are disclosed on the Market Observation Post System website in accordance with the provisions of Article 25 of the Securities and Exchange Act.	(2) No major difference.
(3) Has the Company established and implemented risk management and firewall mechanisms with its affiliates?	V		(3) The Company has established methods to control the management of related party transactions, endorsement and guarantee, and lending of funds between the Company and its affiliates. In addition, the Company has established the "Rules Governing the Supervision and Management of Subsidiaries" and the "Procedures for Group Companies, Specified by Public Companies" in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by the Financial Supervisory	(3) No major difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Commission, in order to regulate financial transactions and matters subject to supervision.	
(4) Has the Company set up an internal standard to prohibit the insiders' use of private information to trade securities?	V		(4) The Company has established the "Management of Information Declared by Insiders," "Procedures for Handling Material Internal Information," and "Procedures for Prevention of Insider Trading," which stipulate clear restrictions on trading in securities by insiders, as well as the prohibition of trading in securities by insiders based on unpublished information in the market.	(4) No major difference.
3. The composition and duties of the Board of Directors (1) Has the Board of Directors formulated a diversified approach and specific management goals, and implemented them?	V		(1) 1.In Chapter 3, "Strengthening the Functions of the Board of Directors" of the "Corporate Governance Best Practice Principles" of the Company, a diversity policy has been established, which requires that the Board of Directors possesses various capabilities as a whole. The composition of the Board of Directors shall be based on the Company's operation model and its needs, and the Company seeks to recruit talented individuals with professional knowledge, skills, and experience in a variety of industries. In addition, the Company also adheres to the "Procedures for the Election of Directors" and the "Corporate Governance Best Practice Principle" to ensure the diversity and independence of its board members. 2.The nine members of the Board of Directors of the Company include: Chairman Shieh, Raui-Mu, who has been working in the field of the Company's business for an extensive period of time, is well versed in the operation and development of the industry, and has an open style of leadership and is capable of listening to advice; Director Hsia, Ching-Hsuan, who was a member of the management team of the Company and is familiar with the organization and business operation of the Company; Directors Pei-Lin Shen and Chen, Chun-Ya, who possess knowledge of other technological industries and global perspective, and are familiar with the Southeast Asian market conditions, and are capable of fully assisting the Company in making relevant investment decisions; Director Lai, Yung-Hsiang, being the Head of the Office for the	(1) No major difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Promotion of Smart Machinery, is well versed in the development of smart machinery. In addition, the Independent Directors of the Company also possess extensive industry experience and expertise. The Independent Directors of Lin, Chang-Chih is equipped with extensive knowledge of the machinery industry and experience in business judgment; the Independent Director Chen, Hsin-Liang is a legal expert; while the Independent Director Chen, Run-Qing is an expert in finance and taxation; and the Independent Director Lin, Feng-Zhih is an expert in strategy and information management. 3.The percentage of Directors who are also employees of the Company is 11%, the percentage of Independent Directors is 44%, and the percentage of female Directors is 11%. Two Independent Director have served for a term of less than three years, one Independent Director has served for a term of 4~6 years, and one Independent Directors havs served for a term of 6~9 years; five Directors are aged over 71 years old, three are aged 51~60 years old, and one is aged 50 years old or below. 4.The Board of Directors' policy on diversity has been disclosed in the annual report and on the Company's website.	
(2) Has the Company set up other types of functional committees voluntarily in addition to the Remuneration Committee and Audit Committee in accordance with the law?	V		(2) 1.The Company has established a Remuneration Committee in accordance with the law, and since August 02, 2016, the Audit Committee has also been operating in accordance with its organizational rules and regulations, and has convened meetings to discuss and resolve issues in accordance with its responsibilities. 2.On August 7, 2024, the Board of Directors approved the establishment of the "Sustainability Development Committee Organizational Regulations" and resolved to voluntarily set up a "Sustainability Development Committee" as a functional committee of the Board. This initiative aims to align with international development trends and achieve sustainability goals, strengthening the implementation of sustainable development by TWSE/TPEx listed company. 3.On August 7, 2024, the Board of Directors approved the revision of the "Risk Management Policy and Procedures" and resolved to voluntarily establish a "Risk Management Committee" to strengthen risk	(2) No major difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			management, enhance crisis response capabilities, and achieve the goal of risk control, thereby laying the foundation for the company's sustainable operation. 4.All issues relating to the resolutions listed by each of the functional committees can be submitted to the Board of Directors for approval in accordance with the law.	
(3) Has the Company set up a performance appraisal method and assessment method for the Board of Directors, conducted an annual performance appraisal on a regular basis, submitted results of the performance assessments to the Board of Directors and used them as reference in determining compensation and nomination as well as additional term of office of individual Directors?	V		(3) The Company's Board of Directors approved the "Evaluation Method of the Board's Performance" on March 30, 2021, under which the Company conducts an evaluation of the performance of the Board of Directors after the end of each fiscal year. In addition to the evaluation of the overall operation of the Board of Directors, each Director is required to conduct a self-assessment of his/her own performance. The evaluation criteria may be revised and adjusted in accordance with the Company's needs, and the scores may also be weighted according to each measurement aspect, and the evaluation results will be reported to the Board of Directors, with proposals for improvement. The Company has completed the 2025 performance evaluations of the Board of Directors, and their individual members in February 2026, following the aforementioned method. The evaluation results have all achieved a score of either "good" / "excellent" or above and have been submitted to the Board of Directors' meeting held on March 10, 2026. These performance evaluation results will serve as a reference for the selection or nomination of Directors.	(3) No major difference.
(4) Does the Company regularly evaluate the independence of its certified public accountants?	V		(4) The Company evaluates the independence and suitability of its CPAs on an annual basis, and the CPAs also issue Statements of Independence and Audit Quality Indicators ("AQIs"). The results of the most recent CPA independence and suitability evaluation form and AQIs evaluation were submitted to the Audit Committee and the Board of Directors on March 10, 2026 for review and approval. Please refer to Note 1 for the CPA Independence and Suitability Assessment Form.	(4) No major difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
4. Does the TWSE/TPEx listed company have an adequate number of corporate governance personnel with appropriate qualifications, and appoint a chief corporate governance officer responsible for corporate governance-related matters (including but not limited to providing Directors and supervisors with required information to carry out their business, assisting Directors and supervisors with legal compliance, handling corporate registration and change of corporate registration-related matters, and preparing board and shareholders' meeting minutes)?	V		The Company has appointed personnel of finance and stock affairs, who also serves as corporate governance personnel, to be responsible for matters related to corporate governance. As approved by the Board of Directors on October 01, 2021, the Supervisor of the department, who also serves as the Supervisor of corporate governance, possesses more than three years of experience as a supervisor of a unit of a public company engaged in finance or stock affairs, among others. The Supervisor is responsible for supervisory duties and his/her scope of responsibilities includes providing Directors with the necessary information to perform their duties, assisting Directors in complying with laws and regulations, handling matters related to the Board of Directors' and Shareholders' meetings in accordance with the law, registering companies and changes in registration, preparing minutes of the Board of Directors' and Shareholders' meetings, and assisting Directors in assuming their positions and pursuing continuing education, among other things. In addition, the Company values internal auditing and empowers the auditing unit with sufficient authority to ensure that the auditing unit is able to inspect and evaluate the deficiencies of the internal control system and measure the efficiency of the operations, as well as to assist the Board of Directors and the management in fulfilling their duties and responsibilities, which in turn leads to the implementation of corporate governance.	No major difference.
5. Has the Company established a communication channel with interested parties (including but not limited to shareholders, employees, customers and suppliers), set up a page for these interested parties on the Company's website, and appropriately responded to them concerning important	V		The Company has established a spokesperson and an acting spokesperson to serve as the Company's external communication channels to enable them to understand the Company's operating conditions. A special section for stakeholders has been set up on the Company's official website to provide dedicated communication channels for stakeholders with different profiles. Through the communication channels, stakeholders are able to learn about the Company's financial operations, information related to corporate social responsibility, and channels for feedback, as well as to inquire about the Company's finances, operations, and corporate governance.	No major difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
corporate social responsibility issues?				
6. Has the Company appointed a professional stock transfer agent to handle shareholder-related affairs?	V		The Company has appointed the Stock Affairs Department of Fubon Securities Co., Ltd. to act on its behalf at the general shareholders' meeting.	No major difference.
7. Information disclosure (1) Has the Company set up a website to disclose financial and corporate governance information?	V		(1)The Company has set up an official website (www.quaser.com/tw/) and an investor section to disclose information regarding the Company's financial operations and corporate governance, whereby information regarding the Company can also be accessed through the Market Observation Post System.	(1) No major difference.
(2) Does the Company adopt other information disclosure methods (such as setting up an English website, appointing a dedicated person responsible for the collection and disclosure of company information, implementing the spokesperson system, and posting the Company's corporate briefing process on the website, etc.)?	V		(2)The Company has assigned dedicated personnel to be responsible for the disclosure of information on the Exchange's Market Observation Post System and the disclosure of information on the Company's website, and has set up websites in both English and Chinese, with dedicated personnel responsible for the collection and disclosure of relevant information on the Company's finances and operations. The Company also has a spokesperson and an acting spokesperson to serve as a channel for outbound communication in accordance with the regulations. The information of the corporate briefing sessions is also posted on the Company's official website. With respect to the disclosure of corporate governance information, the Company has provided investors with important information on the Company, its financial condition, shareholders' meetings and dividend payments, internal audit structure and operation, and articles of incorporation on its official website.	(2) No major difference.
(3) Has the Company published and report annual financial report within two months after the end of a fiscal year, and publish and report financial reports for the first, second and third quarters as well as its operating status for		V	(3)The Company's quarterly and annual financial reports, as well as announcements and reports on operations for each month, were all completed within the deadlines required by the laws and regulations.	The Company will continue to comply with the regulations, standards and requirements as stipulated by the competent authorities in promoting the transparency of financial information, which is the goal that the Company has been striving to achieve.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
each month before the specified deadline?				
8. Does the Company have any other important information (including but not limited to employee rights, employee care, investor relations, supplier relationship, rights and interests of interested parties, training for Directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for Directors and supervisors, etc.)?	V		(1)Employee Rights and Employee Care: The Company has established an Employee Welfare Committee, as well as a sound employee welfare measures, continuing education, training and retirement system; the Company has also set up a Human Resource Review Committee to collect employee grievances; and the Company holds labor-management meetings from time to time, so as to ensure harmonious labor-management relations by reaching a consensus on major labor-management issues. (2)Investor Relations: The Company convenes annual shareholders' meetings in accordance with the Company Act and related laws and regulations to provide shareholders with adequate opportunities for enquiries and proposals, and has established a system of spokesperson and acting spokesperson to enable shareholders to contact and to address shareholders' proposals. In order to enhance the transparency and symmetry of information disclosure, the Company not only discloses the Company's financial, business, and corporate governance information on the Market Observation Post System and the Company's website in accordance with the relevant regulations, but also responds to shareholders' enquiries and suggestions by organizing corporate briefing sessions and investor relations service mailboxes. (3)Supplier Relations: The Company's suppliers, customers and financial institutions are all subject to the Company's operating rules and regulations, and contracts are executed accordingly in order to protect the legal rights and interests of both parties, while maintaining good interactions based on the principles of honesty, cooperation and mutual benefits. (4)Rights of Stakeholders: The Company has set up a special section for stakeholders on its website and has set up dedicated communication channels for each of them based on their respective profiles. (5)Directors' and Supervisors' Continuing Education: All the Directors of the Company possess relevant professional knowledge and industrial background, and are required by law to pursue continuing education in	No major difference.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			relevant professional courses. (6)Implementation of Risk Management Policies and Risk Measurement Standards: The Company has established various internal management procedures in accordance with the law, and conducts risk management and evaluation in accordance with these procedures. On August 7, 2024, the Board of Directors resolved to establish a "Risk Management Committee" to strengthen risk management, enhance crisis response capabilities, and achieve the goal of risk control, thereby laying the foundation for the company's sustainable operation. The Company's Risk Management Committee is composed of two independent directors and one senior executive, totaling three members. It meets at least once a year to discuss risk management matters and reports its operations to the Board of Directors. The risk assessment for 2025 was presented to the Board on December 18, 2025. (7)Implementation of Customer Policies: The Company strictly abides by the contracts signed with customers and related regulations to ensure customer rights and interests and to provide good service quality. (8)Liability Insurance for Directors: The Company has purchased liability insurance for its Directors and key Managers.	
9. Please state the improvements made to the items in the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd., and indicate the enhancement and improvement measures for items not yet improved: At present, the key points of scoring for the overall improvement of corporate governance evaluation are being strengthened.				

Note 1: CPA Independence and Suitability Assessment Form

Item	Results	Compliance with Independence
1. The CPA has no direct or material indirect financial interest in the Company.	Yes	Yes
2. The CPA has not engaged in any financing or guarantee practices with the Company or the directors of the Company.	Yes	Yes
3. The CPA does not have a close business relationship with the Company and has no potential employment relationship with the Company.	Yes	Yes
4. The CPA and the members of its audit team are not currently serving or have not served in the last two years as a director, manager, or in a position of significant influence on the audit of the Company.	Yes	Yes
5. The CPA did not provide the Company with non-audit service items that could have directly affected the audit.	Yes	Yes
6. The CPA has not brokered any stock or other securities issued by the Company.	Yes	Yes
7. The CPA has not acted as an defender of the Company or coordinated conflicts with other third parties on behalf of the Company.	Yes	Yes
8. The CPA is not related to any of the Company's directors, managers, or other individuals with significant influence on the audit.	Yes	Yes
9. The CPA has not received any gift of significant value from the Company or any of its directors or managers.	Yes	Yes
10. The CPA has not provided audit services to the Company for seven consecutive years.	Yes	Yes
11. Has the CPA complied with the Norm of Professional Ethics for Certified Public Accountant No. 10 on independence, and has the Company obtained the "Statement of Independence" issued by the CPA?	Yes	Yes

Item	Results	Compliance with Suitability
1. Do the CPA and senior audit staff possess adequate audit experience to perform the audit?	Yes	Yes
2. Do the CPA and senior audit staff receive adequate education and training each year to continue to acquire professional knowledge and skills?	Yes	Yes
3. Does the CPA firm maintain sufficient human resources with high level of proficiency?	Yes	Yes
4. Does the CPA firm have enough professional staff in supporting the audit team?	Yes	Yes
5. Is the workload assigned to the CPA reasonable?	Yes	Yes
6. Have the team members invested reasonable amount of time in each stage of the audit?	Yes	Yes
7. Has the quality control review CPA invested sufficient hours to perform the review of the audits?	Yes	Yes
8. Does the CPA firm have adequate quality control manpower to support the audit team?	Yes	Yes
9. Does the percentage of non-audit fees received by the CPA firm not affect its independence?	Yes	Yes
10. Does the provision of certified financial statements and audit services by the accounting firm not affect its independence?	Yes	Yes
11. In case of deficiencies in external audits and penalties, does the CPA firm's quality control comply with the relevant laws and standards?	Yes	Yes
12. In response to the competent authority's letter for improvement, does the CPA firm's quality control comply with the relevant laws and standards?	Yes	Yes
13. Has the firm adopted or planned any initiatives or plans to improve audit quality in the past three years?	Yes	Yes

Assessment results: All of them are in compliance with the Company's independence and suitability standards.

(4) If the Company has a Remuneration Committee, please disclose its composition, duties and operation

1. Remuneration Committee Member Information

April 10, 2026

Identity	Criteria Name	Professional qualification and experience	Independence Criteria	Number of concurrent memberships in remuneration committees of other listed companies
Independent Director (Convenor)	Chen, Hsin-Liang	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • An attorney or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business. • No violation to the subparagraphs of Article 30 of the Company Act.	• The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., are not directors, supervisors, or employees of the Company or other affiliated companies. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., do not hold any shares of the Company. • The Independent Director him/herself, his/her spouse, and his/her relative within second degree of kinship is not a Director, Supervisor, or Employee of a company that has a specific relationship with the Company. • No remuneration was received for business, legal, financial, or accounting services provided by the Company or other affiliates in the last two years.	—
Independent Director	Lin, Chang-Chih	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • No violation to the subparagraphs of Article 30 of the Company Act.	• The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., are not directors, supervisors, or employees of the Company or other affiliated companies. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., do not hold any shares of the Company. • The Independent Director him/herself, his/her spouse, and his/her relative within second degree of kinship is not a Director, Supervisor, or Employee of a company that has a specific relationship with the Company. • No remuneration was received for business, legal, financial, or accounting services provided by the Company or other affiliates in the last two years.	—

Identity	Criteria Name	Professional qualification and experience	Independence Criteria	Number of concurrent memberships in remuneration committees of other listed companies
Independent Director	Chen, Run-Qing	• Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business. • Professionals with specialized qualifications, such as judges, prosecutors, lawyers, accountants, or other experts with certificates from national examinations relevant to the company's business needs. • Lecturers or above from public or private universities with degrees in fields related to business, law, finance, accounting, or other areas relevant to the company's operations. • No violation to the subparagraphs of Article 30 of the Company Act.	• The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., are not directors, supervisors, or employees of the Company or other affiliated companies. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., do not hold any shares of the Company. • The Independent Director him/herself, his/her spouse, and his/her relative within second degree of kinship is not a Director, Supervisor, or Employee of a company that has a specific relationship with the Company. • No remuneration was received for business, legal, financial, or accounting services provided by the Company or other affiliates in the last two years.	—
Independent Director	Lin, Feng-Zhih	• ˙Lecturers or above from public or private universities with degrees in fields related to business, law, finance, accounting, or other areas relevant to the company's operations. • No violation to the subparagraphs of Article 30 of the Company Act.	• The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., are not directors, supervisors, or employees of the Company or other affiliated companies. • The Independent Director himself/herself, his/her spouse, his/her relatives within the second degree of kinship, etc., do not hold any shares of the Company. • The Independent Director him/herself, his/her spouse, and his/her relative within second degree of kinship is not a Director, Supervisor, or Employee of a company that has a specific relationship with the Company. • No remuneration was received for business, legal, financial, or accounting services provided by the Company or other affiliates in the last two years.	2

2.Remuneration Committee Responsibilities:

The Remuneration Committee shall perform the following duties in accordance with Duty of Care and shall submit its proposals to the Board of Directors for discussion:

(1) Regularly reviews the Rules Governing the Organization of the Remuneration Committee and proposes amendments.

(2) Establishes and regularly reviews the Company's policies, systems, standards and structures

for annual and long-term performance goals and remuneration of the Company's directors and managers.

(3) Regularly evaluates the accomplishment of the Company's performance goals for directors and managers, and determines the content and amount of their individual remuneration packages.

3.Information on the Remuneration Committee Operation Status

(1) The Company’s Remuneration Committee is composed of four people.

(2) Current member’s tenure: From May 31, 2024 to May 30, 2027. A total of three meetings were held by the Remuneration Committee in 2025 and 2026 as of the publication date of the annual report, with the following attendance:

Title	Name	Actual no. of meetings attended	No. of meetings with entrusted attendance	Actual attendance rate (%)	Remarks
Convenor	Chen, Hsin-Liang	3	0	100.00%	Re-elected on May 31, 2024
Member	Lin, Chang-Chih	3	0	100.00%	Newly-elected on May 31, 2024
Member	Chen, Run-Qing	3	0	100.00%	Newly-elected on May 31, 2024
Member	Lin, Feng-Zhih	3	0	100.00%	Newly-elected on May 31, 2024

Remuneration Committee Operation Status

Remuneration Committee Date/Session	Motion Content	Resolution	The Company's Handling of the Remuneration Committee's Opinions
March 11, 2025/4-4	Motion1:Discussion on the amendment to the Company’s "Salary Management Measures. Motion2:Discussion on the distribution of employee and director compensation for the year 2024. Motion3: Proposal for the distribution of the Chairman's year-end bonus for the year 2024.	Approved by all members present	Submitted to the Board of Directors Meeting and approved by all Directors present.
Novermber 06, 2025/4-5	Motion1:Discussion on the distribution of Director remuneration for the year 2024. Motion 2:Discussion on the distribution of employee compensation for managers for the year 2024.	Approved by all members present	Submitted to the Board of Directors Meeting and approved by all Directors present.
Mar. 10, 2026/4-6	Motion1:Discussion on the amendment to partial provisions of the Company’s "Salary Management Measures." Motion 2:Proposal for the distribution of 2025 year-end bonuses for managerial officers.	Approved by all members present	Submitted to the Board of Directors Meeting and approved by all Directors present.

Other matters to be recorded:

1. In the event that the Board of Directors rejects or amends the proposal of the Remuneration Committee, the date, session, motion content of the Board of Directors' meeting, the Board's resolution, and the Company's handling of the Remuneration Committee's opinion (in the event that the remuneration approved by the Board is superior to that of the Remuneration Committee's proposal, the status of and reasons for the discrepancy should be stated): Nil.

2. If there were any objections or reservations to the resolutions made by the members of the Remuneration Committee, and if such objections or reservations are recorded or stated in writing, the date, session, motion contents, opinions of all members, and the handling of the opinions of the members of the Remuneration Committee should be stated: Nil.

(5) Composition, Responsibilities, and Operations of the Sustainable Development Committee

1. Composition of the Sustainability Committee:

On August 7, 2024, the Company established the "Sustainability Committee" under the Board of Directors. In accordance with the Company's "Charter of the Sustainability Committee," the committee meets at least once a year. In 2025, meetings were held on August 7 and December 18 to report the year's implementation results to the Board of Directors.
The Sustainability Committee is composed of three members, including two **independent directors**, and is responsible for assisting the Board in supervising the implementation of sustainability-related matters. General Manager Hsieh Tien-hsin, who possesses expertise in sustainable development, serves as the convener.

2. Responsibilities of the Sustainable Development Committee

The Sustainable Development Committee should exercise the duty of care of a good manager and faithfully perform the following responsibilities, submitting any proposed recommendations to the Board for discussion:

(1) Formulate, promote, and strengthen the Company's direction, strategies, and goals for sustainable development, and develop relevant management policies and specific implementation plans.
(2) Review, track, and revise the execution and effectiveness of sustainable development initiatives.
(3) Oversee sustainability-related disclosures and review the sustainability report.
(4) Supervise the implementation of the Company's sustainable development code and other sustainability-related tasks as approved by the Board.

3. Information on the Sustainable Development Committee Operation Status

(1)The Company's Sustainable Development Committee is composed of three people.
(2)Current member's tenure: From August 07, 2024, to May 30, 2027. The Sustainable Development Committee held two meetings in 2025, professional qualifications,experience, and operational status of the sustainability committee are as follows

Title	Name	Sustainability Expertise and Competencies	Actual no. of meetings attended	No. of meetings with entrusted attendance	Actual attendance rate (%)	Remarks
Chairperson and Convener (Senior Executive)	Hsieh, Tien-Hsin	Green Design, Energy Management Practices, and Corporate Governance	2	0	100.00%	First appointment on August 7, 2024
Member (Independent Director)	Lin, Chang-Chih	Regulatory Compliance and Sustainable Supply Chain Management	2	0	100.00%	First appointment on August 7, 2024
Member (Independent Director)	Lin, Feng-Zhih	Sustainability Strategy and Human Rights Protection	2	0	100.00%	First appointment on August 7, 2024

Sustainable Development Committee Operation Status

Sustainable Development Committee Date/Session	Motion Content	Resolution	The Company's Handling of the Sustainable Development Committee's Opinions
August 18, 2025/1-2	Motion 1:Discussion on the Company's 2024 Sustainability Report.	Approved by all members present	Submitted to the Board of Directors Meeting and approved by all Directors present.
December 18, 2025/1-3	Motion 1: Greenhouse Gas (GHG) Inventory Results. Motion 2: Sustainability Implementation Report.	No resolution required.	Nil

Other matters to be recorded:

1. In the event that the Board of Directors rejects or amends the proposal of the Sustainable Development Committee, the date, session, motion content of the Board of Directors' meeting, the Board's resolution, and the Company's handling of the Sustainable Development Committee's opinion: Nil.

2. If there were any objections or reservations to the resolutions made by the members of the Sustainable Development Committee, and if such objections or reservations are recorded or stated in writing, the date, session, motion contents, opinions of all members, and the handling of the opinions of the members of the Sustainable Development Committee should be stated: Nil.

(6) Composition, Responsibilities, and Operations of the Risk Management Committee

1. Composition of the Risk Management Committee:

   On August 7, 2024, the Company appointed two independent directors to establish the Risk Management Committee. The General Manager, Hsieh, Tien-Hsin, serves as the convener of the committee. Committee members include Chen, Hsin-Liang, who possesses expertise in law, and Chen, Run-Qing, who has expertise in taxation.

2. Responsibilities of the Risk Management Committee

   The Risk Management Committee should exercise the duty of care of a good manager and faithfully perform the following responsibilities, submitting any proposed recommendations to the Board for discussion:

   (1) Review risk management policies, procedures, and frameworks, and regularly assess their applicability and effectiveness.
   (2) Approve risk tolerance.
   (3) Provide regular reports to the Board on the implementation of risk management.
   (4) Handle other matters delegated to the committee by the Board.

3. Information on the Risk Management Committee Operation Status

   (1) The Company's Risk Management Committee is composed of three people.
   (2) Current member's tenure: From August 07, 2024, to May 30, 2027. The Risk Management Committee held one meeting in 2024, with the following attendance:

Title	Name	Actual no. of meetings attended	No.of meetings with entrusted attendance	Actual attendance rate (%)	Remarks
Convenor	Hsieh, Tien-Hsin	1	0	100.00%	First appointment on August 7, 2024
Member	Chen, Hsin-Liang	1	0	100.00%	First appointment on August 7, 2024
Member	Chen, Run-Qing	1	0	100.00%	First appointment on August 7, 2024

Risk Management Committee Operation Status

Risk Management Committee Date/Session	Motion Content	Resolution	The Company's Handling of the Risk Management Committee's Opinions
December 18, 2024/1-2	Motion 1: 2025 Risk Management Report.	No resolution required.	Nil

Other matters to be recorded:

1. In the event that the Board of Directors rejects or amends the proposal of the Risk Management Committee, the date, session, motion content of the Board of Directors' meeting, the Board's resolution, and the Company's handling of the Risk Management Committee's opinion: Nil.

2. If there were any objections or reservations to the resolutions made by the members of the Risk Management Committee, and if such objections or reservations are recorded or stated in writing, the date, session, motion contents, opinions of all members, and the handling of the opinions of the members of the Risk Management Committee should be stated: Nil.

(7) Sustainable Development Implementation Status, Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies:

Promoted Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
1. Has the Company set up a sustainable development governance structure and a dedicated (or concurrent) sustainable development promotion unit which is authorized by the Board of Directors to be managed by high-level management and supervised by the Board of Directors?	V		1. On August 7, 2024, the Board of Directors approved the establishment of the Sustainable Development Committee. The committee is composed of three members, including two independent directors and one senior executive. It is tasked with assisting the Board in continuously promoting sustainable development policies and enhancing corporate governance by integrating sustainability into the company's operations and strategic direction. Its responsibilities include: A. Formulate, promote, and strengthen the Company's direction, strategies, and goals for sustainable development, and develop relevant management policies and specific implementation plans. B. Review, track, and revise the execution and effectiveness of sustainable development initiatives. C. Oversee sustainability-related disclosures and review the sustainability report. D. Supervise the implementation of the Company's sustainable development code and other sustainability-related tasks as approved by the Board. 2. Meetings are held regularly each year to report on relevant operations. The 2025 implementation status was presented to the Board on December 18, 2025, and the 2024 Sustainability Report was approved on August 7, 2025. 3. A Sustainability Task Force has been established under the Sustainability Committee, responsible for the execution and promotion of sustainability-related initiatives.	No major difference
2. Has the Company conducted risk evaluation for the environmental, social and corporate governance issues	V		In accordance with the principle of materiality, the Company conducts risk assessments related to corporate governance, environmental protection, and social inclusion to mitigate operational risks and ensure effective corporate governance. On August 7, 2024, the Board of Directors approved	No major difference

<table>
<tr><th rowspan="2">Promoted Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>related to the operations of the Company based on the materiality principle, and formulated related risk management policies or strategies?</td><td></td><td></td><td>the establishment of the Risk Management Committee, a functional committee under the Board. The committee is composed of three members, including two independent directors and one senior executive. The members possess expertise in the fields of law and taxation. A Risk Management Policy and Procedures were also established to strengthen risk management, enhance crisis response capabilities, and achieve effective risk control.

The committee holds regular meetings each year to report on the status of risk assessments. The 2025 Risk Assessment Report was presented to the Board on December 18, 2025, and the Board provided positive feedback on the report’s content and the progress of strategy reviews.



The execution items of the company's "Risk Management Policy and Procedures" are as follows:
<table>
<tr><th>Items</th><th>Description</th></tr>
<tr><td>1. Risk Management Objectives</td><td>(1) Achieving business goals
(2) Enhance management efficiency
(3) Provide reliable information
(4) Allocate resources effectively</td></tr>
<tr><td>2. Risk Management</td><td>(1) Board of Directors</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promoted Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Organizational Structure</td><td>(2) Risk Management Committee
(3) Risk Management Task Force</td></tr>
<tr><td>3. Risk Management Procedures</td><td>(1) Risk Identification
(2) Risk Analysis
(3) Risk Evaluation
(4) Risk Response and Monitoring
(5) Risk Reporting and Disclosure</td></tr>
</table>

In accordance with the significant issues related to environmental, social, and corporate governance concerns raised by stakeholders, risk assessments are conducted to analyze and identify the impacts and severity of these issues. A materiality issue matrix is generated to disclose relevant information.

This disclosure covers the sustainable development implementation status at the main locations from January 2025 to December 2025, with Dajia plant site as the risk assessment boundary.
<table>
<tr><th>Material Issue</th><th>Risk Assessment Item</th><th>Description</th></tr>
<tr><td>Environment</td><td>Environmental Protection</td><td>1. The Company has implemented a process safety management and a systematic management cycle to effectively reduce the emission of pollutants and the impact on the environment.
2. The Company's primary markets are the EU and the U.S., which require products to comply with environmental regulations. Therefore, the Company has acquired the</td></tr>
</table>
</td><td></td></tr>
</table>

Promoted Item	Implementation Status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary			
					"ISO 14001: 2015 Environmental Management System Certification" and is regularly certified as such. 3. The Company has completed the 2024 carbon inventory of the Dajia plant in 2025 and obtained the ISO 14064-1: 2018 GHG Verification Opinion Statement. Based on the results of the carbon inventory, the Company will continue to implement carbon reduction measures.	
				Green Products and Innovative R&D	1. Develop a carbon emission calculation system for processing machines to accurately and in real-time monitor energy consumption status of the machines. 2. By utilizing high-strength materials and computer-aided structural topology optimization, the weight has been reduced by 20% while maintaining high rigidity, resulting in a 50% increase in cutting capacity and processing stability.	
			Social	Protection of Labor Rights	The Company complies with the relevant labor acts and labor rights standards, prohibits child labor and forced labor, employs middle-aged and senior	

Promoted Item	Implementation Status		Summary			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No				
					employees, manages working hours and salaries in accordance with the relevant regulations, and emphasizes employment equality.	
				Environmental Safety	Regular fire drills and occupational safety training are held annually to develop staff's emergency response and self-safety management capabilities.	
				Product Safety	1. The Company's products comply with government regulations and laws. Meanwhile, in order to ensure the quality of customer service, we have set up a customer service hotline and a website to communicate with our customers, and regularly conduct customer service satisfaction surveys annually for the purpose of strengthening the cooperative relationship with our customers. 2. In order to transfer product liability risk, minimize property loss and enhance product safety, the Company has taken out a product liability insurance policy of US$3 million with insurance certificate No. JCL0504185/2025-519.	

Promoted Item	Implementation Status		Summary			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No				
					3. We continue to strengthen information security measures to prevent the leakage of trade secrets and enhance cybersecurity management; the Company has successfully obtained the ISO/IEC 27001:2022 certification in 2026.	
			Corporate Safety	Social Economy and Compliance with Laws	1. The Company complies with the regulations of the competent authorities in carrying out the annual audit plans and internal audit reporting. Through the establishment of a governance organization and the implementation of internal control system, the Company ensures that all staff and operations comply with relevant laws and regulations. 2. Hold regular investor meetings to maintain good interaction with stakeholders. 3. On December 18, 2025, a concrete plan to enhance enterprise value was submitted to the Board of Directors, disclosing key operational focus areas within the industry as well as short-, mid-, and long-term business strategies.	

Promoted Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Strengthening of Directors' Functions: Directors are covered by directors' liability insurance which protects them against lawsuits or claims. Communication with Stakeholders: Established a variety of communication channels for active communication to minimize conflicts and misunderstandings. An investor mailbox has been set up, with a spokesperson responsible for handling and responding to the emails.	
3. Environmental issues (1) Has the Company established an appropriate environmental management system according to its industrial characteristics?	V		(1) 1. The Company has appointed dedicated staff for labor safety and environmental quality affairs, and conducts labor safety inspections on a quarterly basis. 2. The Company has established an environmental protection and quality management system in accordance with ISO14001 and ISO9001 and has been certified with ISO14001 and ISO9001 quality certificates, with a validity period from December 12, 2023 to December 11, 2026.	No major difference
(2) Is the Company committed to improving the efficiency in the use of resources, and the use of recycled materials with low environmental impact?	V		(2) The Company is committed to improving the efficiency of resource utilization: for example, encouraging employees to carry environmentally friendly chopsticks, using environmentally friendly utensils and issuing environmentally friendly cups in the canteen, mandatory shutdown of machines when idle, setting up recycle bins for resource classification, and promoting resource recycling to internal employees.	No major difference
(3) Is the Company aware of the impact of climate change on its	V		(3) The preliminary identification of climate change risks is mainly focused on the risks and opportunities arising from unstable power supply,	No major difference

<table>
<tr><th rowspan="2">Promoted Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>operations, and has it implemented greenhouse gas checking and developed a strategy for reduction of energy consumption and carbon emission as well as greenhouse gas reduction?</td><td></td><td></td><td>energy-saving and carbon reduction product development costs, and natural disasters, and the countermeasures include strengthening the configuration of constant power supply systems, taking out product liability insurance, and replacing machinery and equipment with new ones and maintaining them on a regular basis.</td><td></td></tr>
<tr><td>(4) Has the Company calculated the greenhouse gas (GHG) emissions, water consumption and total weight of waste for the past two years, and formulated strategies for GHG emission reduction, water conservation and management of other forms of waste?</td><td>V</td><td></td><td>(4) In 2025, the Company completed the greenhouse gas (GHG) inventory for the year 2024 and obtained an Opinion Statement from the Precision Machinery Research and Development Center (PMC). Regarding water consumption and total waste weight, the Company conducts regular tracking and has established reduction goals and strategies

GHG Emissions:
The Company's inventory covers the Dajia plant site and the information on GHG emissions for each year is as follows:
<table>
<tr><th>Emissions (tons)</th><th>2022</th><th>2023</th><th>2024</th><th>2025 (Self-Assessment)</th></tr>
<tr><td>Scope 1</td><td>126.70</td><td>128.78</td><td>129.33</td><td>117.6</td></tr>
<tr><td>Scope 2</td><td>801.60</td><td>735.17</td><td>786.74</td><td>665.59</td></tr>
<tr><td>Total</td><td>928.30</td><td>863.95</td><td>916.07</td><td>783.19</td></tr>
</table>
Reduction Strategies and Methods:
1. Lower the indoor temperature and reduce the use of air-conditioning by deploying heat-blocking film in the plant area.
2. Use of LED sensor lights, which saves energy and reduces carbon emissions.
3. Reduce the frequency of staff's external meetings by switching to online meetings or calls, and reduce the use of official vehicles.
4. A reduction target of 1%*production (in metric tons) has been set for the current year's machining centers. In 2025, a</td><td>No major difference</td></tr>
</table>

<table>
<tr><th rowspan="2">Promoted Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>reduction of 132.88 metric tons was achieved compared to 2024, successfully meeting the reduction target.
Water Consumption Statistics (Dajia Plant Area)<table><tr><td>Emissions</td><td>2025</td><td>2024</td><td>Difference</td><td>Increase/decrease</td></tr><tr><td>Degree</td><td>3,747</td><td>4,051</td><td>(304)</td><td>(7.5%)</td></tr></table>Reduction Strategies and Methods:
1. Promote water conservation among employees and replace old pipelines and equipment.
2. A reduction goal of production*5% (degrees) has been set for the current year's machining centers.
3. In 2025, a 7.5% reduction was achieved compared to 2024, successfully meeting the reduction target.

Non-Hazardous Waste Statistics (Dajia Plant Area)<table><tr><td></td><td>2025</td><td>2024</td><td>Difference</td><td>Increase/decrease</td></tr><tr><td>Tons</td><td>74.52</td><td>76.49</td><td>(1.97)</td><td>(2.58%)</td></tr></table>The Company's wastes mainly consist of domestic garbage and general production wastes, and the treatment of the wastes generated includes recycling and reuse, direct disposal (incineration and burial), and outsourced transport and disposal.
Reduction Strategies and Methods:
1. Encourage staff to carry their own environmentally friendly chopsticks, use environmentally friendly utensils in the canteen and distribute environmentally friendly water cups.
2. Enforcement of various policies on resource recycling and classification.
3. A reduction target of 1%*production (in metric tons) has been set for the current year's machining centers.
4. In 2025,emissions decreased by1.97 tonnes compared to 2024; however, the reduction target was not met..</td><td></td></tr>
<tr><td>4. Social issues
(1) Has the Company formulated relevant management policies</td><td>V</td><td></td><td>(1)The Company, with reference to the international human rights conventions and related labor regulations and human rights conventions,</td><td>No major difference</td></tr>
</table>

Promoted Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
and procedures in accordance with relevant laws and regulations and international human rights conventions?			prohibits the employment of child labor and forced labor, and the management of working hours and salaries are in accordance with the relevant regulations. The Company values equality in employment and does not discriminate in employment on the basis of race, class, language, thinking, religion, political party affiliation, nationality, place of origin, gender, sexual orientation, age, marriage, looks, physical or mental disabilities, past membership in associations, or other legal protections, and establishes labor-management meetings to allow for smooth communication between employers and employees and to maintain harmonious labor relations. The Company also maintains a safe working environment, conducts regular safety inspections of company buildings and fire safety lectures in accordance with occupational safety and health laws and regulations, and conducts employee health check-ups in accordance with occupational safety and health related laws and regulations. Furthermore, the Company has established "The Recruitment and Appointment of Employees", "Rules governing the Management of Human Resources", "Preventive Measures for Sexual Harassment, Handling of Grievances and Disciplinary Actions", etc. to safeguard the rights and interests of employees and to achieve the protection of employees' health and safety.	
(2) Does the Company formulate and implement reasonable policies of staff welfare (including compensation, vacation and other welfare), and reflect the operating performance or achievement in the compensation of the employees properly?	V		(2) Employee welfare measures and remuneration policies are implemented in accordance with the Company's "Rules governing the Management of Human Resources," "Employee Welfare and Subsidies," and "Performance Appraisal. Employee Welfare: The company has set up an Employee Welfare Committee to plan and provide a variety of quality benefits for employees, such as: employee travel subsidies, birthday coupons, wedding allowances, maternity allowances, funeral allowances, hospitalization condolences, and annual festival events. The company provides group insurance, free medical check-ups, meal subsidies and other benefits for employees. In terms of the vacation system, the company provides two days off per week and special leave in accordance with the Labor	No major difference

Promoted Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Standards Act. For employees who need a longer period of leave due to childbirth, major injuries, illnesses, or significant reasons, they are allowed to apply for a leave without pay to accommodate both personal and family needs. The Company values the rights and welfare of its employees. In terms of hardware facilities, the Company provides free parking lots, nursing rooms, and employee canteens to meet the daily needs of its employees. In terms of physical and mental health, we have arranged annual health check-ups and physician on-site services for our employees. Employee Remuneration Policy: The Company conducts regular monthly performance appraisals for its employees to reflect their year-end compensation. In order to realize profit sharing, mutual prosperity and co-existence between employees and employers, and to enhance employee loyalty and overall operating performance, we have established an Employee Welfare Trust Committee since October 2022 to provide eligible employees with stock trust-related welfare measures. According to the Company's Articles of Incorporation, if the Company makes a profit for the year, an amount not less than 5.52% for employees' compensation. (This includes a provision that at least 50% of said compensation must be utilized for salary adjustments or remuneration distributions for entry-level employees.)	
(3) Does the Company provide a safe and healthy working environment for employees and regularly carry out safety and health education for employees?	V		(3) The provision of a safe and friendly workplace environment has been the Company's commitment as well as the basic protection for its employees. Therefore, it is the Company's primary responsibility to establish a good working environment and to protect the safety, physical and mental health of the employees in the workplace. Employees are given relevant training courses and are trained to evacuate and respond to emergencies through practical drills and simulations, so that they can be well prepared and have sufficient knowledge to minimize the risk of injury. In addition, we have set up an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act, and have been continuously certified to ISO14001: 2015, the international standard for environmental management.	No major difference

Promoted Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			The Company regularly carries out inspections of the operating environment every six months in accordance with the controls of the working environment or operational hazards, and provides employees with health check-ups in accordance with the laws and regulations, carries out tracking and management of those employees with unusual results, and provides them with the necessary individual health counseling and guidance, so as to enable them to be aware of their own health conditions. We also organize sports events to encourage employees to participate and develop good exercise habits. No fires occurred in 2025, and the Company regularly conducts fire drills.	
(4) Has the Company developed an effective training program for employees? Please describe the aspects covered by the training plans and their implementation status.	V		(4) The Company plans comprehensive functional training for supervisors and employees at all levels in accordance with their respective duties, including freshman training, professional training, and supervisor training, etc., and assists employees to continue to learn and grow through a variety of learning methods. In addition, based on the training plans or needs proposed by the supervisors, the Company arranges for relevant personnel to participate in professional training courses externally and develops a cross-border employee exchange program in order to cultivate the key professional capabilities of the employees.	No major difference
(5) Did the Company follow relevant laws and international codes regarding product/service, customer health, safety, customer privacy, marketing and labeling, as well as formulate related policies to protect the rights and interests of consumers and develop a complaint-handling procedure?	V		(5) The Company has set up a product After-sales Service Department to provide after-sales service for the products under warranty, while providing a communication mailbox channel on the Company's website and setting up branches to facilitate close communication. At the same time, the Company has also taken out product liability insurance to protect the rights and interests of the users of our products.	No major difference
	V		(6) The Company has established the "Management Procedures for Procurement" and the "Management Procedures for Supplier Evaluation"	No major difference

Promoted Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(6) Did the Company formulate supplier management policies and require suppliers to follow relevant standards on environmental protection, occupational safety and health, or labor rights, as well as specify the implementation process?			in accordance with ISO14001 and other laws and regulations to manage its suppliers, and performs annual supplier evaluation on a regular basis, strictly requiring suppliers to comply with safety and health regulations and labor-related laws and regulations, in addition to quality control, and if they are found to be in violations, they will be required to make improvements within a certain period of time.	
5. Did the Company follow internationally recognized guidelines in preparing and publishing reports; i.e., corporate social responsibility report to disclose non-financial information about the Company? Did the Company hire a third-party verification or assurance provider for such reports?		V	The Company's 2024 Sustainability Report was prepared in accordance with GRI and SASB standards and has been uploaded to the designated website. Currently, the report has not obtained an assurance opinion from a third-party verification body.	This will be prepared in accordance with the law or the actual needs.
6. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the difference between its operation and the prescribed code: The Company has established its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies". All operations are carried out in accordance with the principle of sustainable development.				
7. Other important information to help understand the implementation of corporate social responsibility programs: (1) Environmental Protection: Introduce the concept of green design in our products, practicing water saving, energy saving, carbon reduction, resource recycling and reuse, etc. to reduce the impact on the environment, and to reinforce such awareness to our employees. (2) Social Contributions: Adopt grass and green areas in the nearby community, and regularly trim and maintain them. (3) Social Welfare: 1. Promote public charity activities in the nearby community and provide meal service for solitary elderly. A donation of NTD 50,000 was made in 2025. 2. Collaborate with the blood donation center to organize annual voluntary staff blood donation campaign. 3. Paid volunteer leave to encourage staff to participate in public charity activities. A total of 378 volunteers participated in 2025, with a total of 1,754 hours invested.				

Promoted Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
4. Quarterly supply donations. 5. Participate in community care activities. (4) Quality Education： 1. School Visit: In 2025,Chih-Yung Senior Industrial Commercial Vocational High School, Dong-Shih Industrial High School, and Shalu Industrial High School visited the factory for a hands-on mechanical assembly workshop. 2. Support for Mechanical Engineering Competitions: Donated NTD 60,000 to the Taichung Industrial High School Educational Foundation to support competitions in the mechanical engineering field. The Company continues to fulfill its corporate social responsibility and participate in the implementation of social welfare.				

(8) Climate-related Information Disclosure by TWSE/TPEx Listed Companies:

1 Implementation of climate-related information

Items	Implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.	1. Board Oversight of Climate-related Risks and Opportunities In alignment with the TCFD framework, Quaser has completed its climate governance report. The Sustainability Task Force collects relevant data and operational input, which are submitted to the Sustainability Development Committee for review before being reported to the Board of Directors for oversight of various risk management strategies. (1) Sustainability Development Committee: Convenes at least once a year to assist the Board of Directors in continuously promoting sustainability development policies and enhancing corporate governance. The committee integrates sustainability into the Company's operational activities and development direction. (2) Risk Management Committee: Convenes at least once a year to consider various risks that may affect the achievement of business goals for management through a sound risk management framework and integrate them into operational activities and daily management processes through risk management.

2. Describe how the identified climate-related risks and opportunities affect the Company's business, strategies and financial affairs (for a short term, medium term or long term).	2. Please refer to the image below:
3. Describe the financial impact of extreme climate events and transformation actions.	3. Please refer to Section 5 for details regarding the financial impact of physical and transition risks on the Company
4. Describe how the identification, assessment and management processes of climate risks are integrated into the overall risk management system.	4. Our company adopts the TCFD framework to identify climate change-related risks and opportunities. Relevant department heads, taking into account the current operational status and available resources, develop tailored, practical, and effective management strategies for significant risk items.

tegory	Short-term (0-3 years)	Medium-term (3-5 years)	Long-term (5-30 years)	Mitigation Strategies	Financial Impact
Transition Risks					
1.Renewable energy demand and climate law developments	Inventory of Group carbon emission obligations	Carbon pricing mechanisms	Carbon neutrality	1. Establish Group GHG inventory schedules and track progress. 2. Calculate total operating costs after carbon fee impact and set reasonable internal carbon pricing.	<0.5%
ɔgy	Increased development costs for low-carbon products	Increased costs for low-carbon technology transition	Existing products unable to meet trends, leading to declined competitiveness	Design with energy-saving and carbon-reduction concepts as the core philosophy.	>5%
Physical Risks					
1.Rising temperatures affecting sea levels	Plant sites are in non-flood zones; no impact.	Plant sites are in non-flood zones; no impact.	Plant sites are in non-flood zones; no impact.	Located in non-flood zones; no impact	None
2.Extreme weather affecting attendance	Increase in frequency of typhoons hitting Taiwan	Increase in frequency of typhoons hitting Taiwan	Increase in frequency of typhoons hitting Taiwan	1.Work-from-home supporting measures. 2.Flexible scheduling for on-site production personnel attendance.	<0.5%
Energy Opportunities					
Hydrogen fuel cell development	Development gradually stabilizing; product demand increases, boosting Buffalo (Baidu) capacity	Construction of regional hydrogen energy networks	International hydrogen energy recycling and industrial supply chains	Join international hydrogen fuel cell alliances; visit relevant supply chains to increase diverse customer sources	>5%
Product & Service Opportunities					
Carbon emission calculator	Provide optional items for customers, increasing unit price per machine.	Rising demand for carbon information from manufacturers reveals potential business opportunities in carbon inventory.	Essential item for machines; increases unit price per machine.	In addition to carbon emission calculators, expand into AI software development.	>5%

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used and main financial impacts should be explained.	5. Planning and evaluation are currently underway.
6. If there is a transition plan for managing climate-related risks, explain the content of the plan and the guidelines and goals for identifying and managing physical risks and transition risks.	6. To reduce the carbon emissions per unit of product and minimize environmental impact, the Company continues to explore methods to lower resource consumption. Efforts are made to reduce direct emissions from operational activities (Scope 1) and indirect emissions from energy usage (Scope 2), alongside the establishment of targets for electricity and water conservation, including: (1) Replacing outdated equipment to reduce electricity consumption. (2) Switching to LED sensor lighting to enhance energy efficiency and reduce carbon emissions.

Item	Physical Risk	Transition Risk
Risk Factor	Extreme precipitation within catchments	Disruption of export demand
Impact Scale	Low	High
Likelihood	High	High
Timeframe	Short-term	Medium-term
Assessment Scenario	Increased intensity of extreme precipitation within catchments	Sudden drop in market demand due to new climate change legislation or a shift in consumer preference toward sustainable goods and services.
Financial Impact	Increased intensity of extreme precipitation events prevents personnel attendance, leading to delays in shipping schedules.	Existing products unable to meet trends, leading to a decline in competitiveness and a decrease in revenue.
Quantification	Loss of NTD 0.5M ~ NTD 1M	Loss of NTD 50M ~ NTD 80M
Methodology	Estimated potential financial impact is an annualized figure within a 30-year timeframe, estimating civil engineering costs and negative income impacts.	Estimated potential financial impact is an annualized figure within a 30-year timeframe. Modeling through step-change impacts to calculate demand reduction and comparison with evolutionary scenarios; this calculation has significant uncertainty.
Management Response	Probable maximum flood values must be reviewed every ten years and integrated into climate change management.	The Company supports climate action policies that will increase electricity demand across other industries, particularly in the hydrogen fuel cell industry.

7. If internal carbon pricing is used as a planning tool, explain the basis for price setting.	7. Internal carbon pricing has not yet been planned.
8. If climate-related goals are set, explain the activities covered, scope of greenhouse gas emissions, planning schedule, annual progress to be achieved and other information; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, explain the source and quantity of reduction quota of carbon offset and the number of renewable energy certificates (RECs).	8. Refer to the table below:

Plant / Site	Work Item	Reported to Board	Actual Completion Date	Regulatory Requirement	Responsible / Verification Unit
Dajia Plant	Establishing dedicated (concurrent) units, evaluating personnel count and scope of duties, and setting up internal verification units.	Jan-25	Dec-22	-	Occupational Safety Office
Dajia Plant	Formulating talent training and strategic goals; planning control mechanisms, internal verification, and external verification.	Jun-25	Dec-22	-	Occupational Safety Office
Dajia Plant	Completion of Greenhouse Gas (GHG) Inventory.	Jun-26	Sep-23	Jul-05	Occupational Safety Office
Dajia Plant	Conducting external verification.	Mar-28	Sep-23	Jul-05	Precision Machinery Research and Development Center (PMC)
Subsidiary	Establishing dedicated (concurrent) units, evaluating personnel count and scope of duties, and setting up internal verification units.	Jan-27	Not yet scheduled	-	-
Subsidiary	Formulating talent training and strategic goals; planning control mechanisms, internal verification, and external verification.	Jan-27	Not yet scheduled	-	-
Subsidiary	Completion of Greenhouse Gas (GHG) Inventory.	Dec-27	Not yet scheduled	2027	-
Subsidiary	Conducting external verification.	Mar-29	Not yet scheduled		

The Company conducted ISO 14064-1 inventories from 2022 to 2024 and obtained external verification opinion statements for each year. Feasible reduction plans have been formulated based on these results; currently, there are no plans to utilize carbon offsets or

9. Greenhouse gas inventory and confirmation and reduction goals, strategies and specific action plans (to be filled out separately in Sections 1-1 and 1-2).	Renewable Energy Certificates (RECs) to achieve relevant targets. 9. GHG Inventory and Assurance Status: Please refer to Appendix Table 1-1 for details. Emission Reduction Strategies and Methods: 1. Window Insulation Film Installation: Insulation film has been applied across plant facilities to lower indoor temperatures and reduce air conditioning usage. 2. LED Motion-Sensor Lighting: Implementation of LED motion-sensor lights to enhance energy efficiency and reduce carbon emissions. 3. Optimized Communication Protocols: Reduced the frequency of off-site meetings by prioritizing video conferencing or teleconferencing to minimize the use of corporate vehicles. 4. Reduction Target: The annual reduction goal is set at 1% of the total production volume of Machining Centers (in tonnes). In 2024, emissions increased by 52.13 tonnes compared to 2023; therefore, the reduction target was not met.

1-1 Greenhouse gas inventory and confirmation of the company in the past two years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (metric tons of CO2e), intensity (metric tons of CO2e/NT$ million) and data coverage in the past two years.

Item/Unit: Metric Tons / CO_2 Equivalent	Scope 1	Scope 2	Scopes 1 and 2	Turnover (NT$ million)	Intensity of greenhouse gas emissions
2024	129.33	786.74	916.07	1,653	0.55
2025 (Self-Assessment)	117.6	665.59	783.19	1,247	0.63

Note 1: Direct emissions (Scope 1, direct emissions from emission sources owned or controlled by the company), indirect energy emissions (Scope 2, indirect greenhouse gas emissions caused by the input of electricity, heat or steam) and other indirect

emissions (Scope 3, emissions generated by the company's activities, which are not indirect energy emissions, but rather emissions from emission sources owned or controlled by other companies).

Note 2: The data coverage for direct emissions and indirect energy emissions should be handled in accordance with the schedule stipulated in the order under Paragraph 2 of Article 10 of these Standards, and other indirect emission information may be voluntarily disclosed.

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

Note 4: The intensity of greenhouse gas emissions can be calculated based on per unit of product/service or turnover, but at least the data calculated based on turnover (NT$ million) should be described.

1-1-2 Greenhouse gas confirmation information

Provide a description of the confirmation situation in the past two years up to the date of publication of the annual report, including the scope of confirmation, confirmation institution, confirmation criteria and confirmation comments.

Item/Unit: Metric Tons / CO_2 Equivalent	Scope 1	Scope 2	Scopes 1 and 2	Assurance Standards	Assurance Opinion
2023	128.78	735.17	863.95	ISO14064-1:2018 CNS14064-1:2021 ISO14064-3:2019	The Precision Machinery Research and Development Center (PMC) conducted the verification in accordance with the ISO 14064-3:2019 standard for the verification and validation of greenhouse gas statements. There is sufficient evidence to show that Buffalo's GHG statement is free of material misstatements and fairly presents the greenhouse gas data and related information
2024	129.33	786.74	916.07	ISO14064-1:2018 CNS14064-1:2021 ISO14064-3:2019	The Precision Machinery Research and Development Center (PMC) conducted the verification in accordance with the ISO 14064-3:2019 standard for the verification and validation of greenhouse gas statements. There is sufficient evidence to show that Buffalo's GHG statement is free of material misstatements and fairly presents the greenhouse gas data and related information
Assurance Scope	No. 3, Gong 6th Road, Dajia District, Taichung City				
Assurance Provider	Precision Machinery Research Development Center				

Note 1: It should be handled in accordance with the schedule stipulated in the order under Paragraph 2 of Article 10 of these Standards. If the company does not obtain complete greenhouse gas confirmation comments by the date of publication of the annual report, it should indicate that "any complete confirmation information will be disclosed in the sustainability report". If the

company has not prepared a sustainability report, it should indicate that "any complete confirmation information will be disclosed on the public information observation station" and disclose any complete confirmation information in the annual report for the next year.

Note 2: The confirmation institution should comply with the relevant regulations for sustainability report confirmation institutions established by Taiwan Stock Exchange Corporation and Taipei Exchange.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction goals, strategies and specific action plans as well as the achievement of reduction goals.
To formulate effective greenhouse gas (GHG) reduction strategies, our Dajia Plant completed a GHG inventory in 2022, adopting the parent company only financial report as the organizational boundary. Accordingly, 2022 has been designated as the base year. Based on the inventory results, Scope 1 and Scope 2 emissions were recorded at 126.7 metric tons CO_2e and 801.6 metric tons CO_2e, respectively. Although formal GHG reduction targets have yet to be established, the Company is proactively implementing concrete measures to advance emission reduction efforts. Carbon footprint management has been integrated into our business operations through the development of a carbon emission calculation system for processing machines, which earned the Special Excellence Award at the 2023 Machine Tool Exhibition. This system also supports ongoing evaluation of opportunities associated with the low-carbon transition, allowing for dynamic adjustment of related policies and initiatives. We are committed to incorporating carbon reduction practices into our daily operations through the following initiatives: discontinuation of single-use tableware; gradual replacement of official vehicles with electric vehicles; phased retirement of outdated equipment; upgrading of lighting systems to energy-efficient alternatives; and digitization of internal forms and documentation.

Note 1: It should be handled in accordance with the schedule stipulated in the order under Paragraph 2 of Article 10 of these Standards.

Note 2: The base year should be the year in which the inventory of consolidated financial reports is completed, for example, in accordance with the order under Paragraph 2 of Article 10 of these Standards, companies with a total capital of more than NT$10 billion should complete the inventory of their consolidated financial reports for 2024 by 2025, so the base year should be 2024. If these companies have completed the inventory of their consolidated financial reports in advance, the earlier year may be used as the base year, and the data for the base year may be calculated based on the average of data for a single year or several years.

(9) Performance of ethical corporate management and differences from the Ethical Corporate Management Best-Practice Principles for TWSE/ TPEx Listed Companies and Reasons::

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies and reasons
	Yes	No	Abstract Illustration	
1. Setting business Ethical Corporate Management policies and programs				
(1) Does the Company develop business integrity policies to be passed by the Board, and express its commitment to the policies and practices of Ethical Corporate Management in its regulations and in the external documents, and do the Board of Directors and the management actively implement the business policies?	V		(1) On November 9, 2016, the Board of Directors resolved to establish the "Ethical Management Best Practice Principles", "Code of Ethical Conduct for Directors and Managers", "Ethical Management Procedures and Code of Conduct" and other internal control measures, which stated the policy and practice of ethical management as well as the commitment of the Board of Directors and the management in actively implementing this management policy, and that the Board members and the management are executing the business in accordance with the principle of ethical management and have signed the Statement of Compliance with the Ethical Management Policy. In addition, the relevant ethical management policies are disclosed on the Company's official website and the Market Observation Post System to enhance awareness of the Company's philosophy of ethical management.	(1) No major difference.
(2) Has the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly adopted precautionary measures in respect of business activities with a high risk of dishonesty and at least include preventive	V		(2) The Company has established the "Ethical Management Best Practice Principles" and the "Ethical Management Procedures and Code of Conduct" to provide clear guidelines on prohibited behaviors, and has published the "Code of Conduct on Employee Integrity" on the Company's internal website. In addition to specifying various operating procedures, the Code of Conduct clearly outlines appropriate disciplinary actions for employees who violate ethical standards or engage in misconduct, as stated in the Employee Handbook. If any violations of government regulations or fraudulent activities are discovered, employees may report such incidents via email or written communication to independent directors, managers, internal auditors, or other appropriate personnel. Upon receipt of a report, the relevant personnel shall promptly escalate the matter to the Chairman. The Code of Conduct also details the procedures and methods for	(2) No major difference.

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies and reasons
	Yes	No	Abstract Illustration	
measure in Article 7(2) of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?			whistleblowing, including the establishment of an independent whistleblower mailbox available for both internal and external use, as well as guidelines for the retention of related records. This information has been disclosed on the Company's official website.	
(3) Has the Company set up a program for the prevention of dishonesty as well as the procedures, conduct guidelines and a disciplinary and appeals system in various programs and implemented them?	V		(3) The Company has established an effective internal control system to prevent the occurrence of unethical behavior, and reviews the internal control system from time to time to ensure its design and effective implementation. A grievance mechanism has been established, including the setup of an independent whistleblower mailbox in the Stakeholders section of the Company's official website, allowing both internal and external parties to report concerns. Additionally, after the date of each Board meeting is confirmed, Directors are reminded not to trade Company shares during the blackout periods — specifically, within thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly financial report.	(3) No major difference.
2. Implementation of Ethical Corporate Management				
(1) Does the Company assess the integrity record of its business partner, and stipulate the terms of conduct on integrity in the contract with the business partner?	V		(1) The Company has always been conducting its business activities in a fair and transparent manner. Prior to entering into business transactions, the Company also considers the legitimacy of the counter-parties and whether or not there is any unethical behavior, despite the fact that the Company does not stipulate the terms of ethical behavior in the business contracts, the Company still proclaims that no gifts will be offered to the counter-parties in any form.	(1) No major difference.
(2) Has the Company set up a dedicated (or concurrent) corporate integrity promotion unit under the Board of Directors which report to the	V		(2) The Company's Management Office serves as a dedicated (part-time) unit responsible for the implementation and execution of corporate ethical management, and reports regularly to the Board of Directors on the implementation results. The status on the fulfillment of ethical management was reported to the Board of Directors on December 18,	(2) No major difference.

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies and reasons
	Yes	No	Abstract Illustration	
Board of Directors on a regular basis (at least once a year) on supervising the implementation of the ethical corporate management policies and prevention programs?			2025.	
(3) Has the Company formulated policies to prevent conflicts of interest, provided appropriate channels for statements and implemented them?	V		(3) In the event of a conflict of interest, employees of the Company may report it directly to their direct supervisors or internal auditors through the employee suggestion box. The Company's senior managers and directors shall recuse themselves from the discussion and voting on the Board of Directors' meetings when they have an interest in the Board of Directors' motions.	(3) No major difference.
(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, which is checked by the internal auditing unit based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and examine accordingly the compliance with the prevention programs or engage audited by external auditors?	V		(4) The Company has established an effective accounting system and internal control system, which are reviewed and amended from time to time in accordance with changes in laws and regulations and practical needs, and are regularly reviewed by internal auditors to ensure that the system is designed and implemented in a continuous and effective manner.	(4) No major difference.
(5) Does the Company hold regular internal and external training on business integrity?	V		(5) The Company has integrated ethical management into its corporate culture by organizing internal and external education and training (including courses on compliance with ethical management laws and regulations, environmental safety training, accounting systems, language courses and internal controls) related to ethical management	(5) No major difference.

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies and reasons
	Yes	No	Abstract Illustration	
			issues, with a total of 229 person-times and a total of 2,247 person-hours.	
3. Operation of the Company Reporting System				
(1) Has the Company set up specific reporting and reward systems and a convenient reporting channel, and does the Company assign appropriate personnel to investigate the person being reported?	V		(1) If any Employees who discover violations of ethical management regulations may report directly to their immediate supervisors, through the whistleblower mailbox on the corporate website, or to internal audit personnel. Upon verification through investigation, disciplinary actions will be taken in accordance with the Company's reward and punishment system. In 2025, one external whistleblower case was received via a phone call to the Administration Department. The case involved an external party utilizing the name of 'Buffalo Machinery's Paid Volunteer Program' to conduct fraudulent activities on social media platforms. With assistance from the Internal Audit Department for clarification, the Company has officially issued a statement on its website clarifying that such activities are not organized by the Company.	(1) No major difference.
(2) Has the Company set up standard investigation procedures, follow-up measures to be adopted after investigations of cases reported are completed and a related confidentiality mechanism for the matter being reported?	V		(2) Should the Company identify or receive reports of unethical behavior involving the Company's personnel, and if it is verified that such violations of the relevant company management rules and regulations have occurred, the Company will immediately request the person in question to cease such behavior, take appropriate action, and if necessary, seek damages through legal proceedings in order to protect the Company's reputation and rights and interests, and will maintain confidentiality regarding the investigation process.	(2) No major difference.
(3) Does the Company take measures to protect the reporter from improper treatment?	V		(3) When handling a case, the responsible unit must maintain confidentiality throughout the entire process and conduct the investigation through independent channels. Relevant investigation documents and files must also be kept in a safe place in order to protect the identity of the whistle-blower.	(3) No major difference.

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies and reasons
	Yes	No	Abstract Illustration	
4. Strengthening of Information Disclosure Does the Company disclose the contents of Ethical Corporate Management Best Practice Principles and the effectiveness on its website and MOPS?	V		The Company has published its compliance with the Ethical Management Best Practice Principles on the Company's official website and the Market Observation Post System, and has set up a spokesperson to speak to the public in accordance with the regulations, so that shareholders, stakeholders, and the competent authorities can have a better understanding of the Company's situation.	No major difference.
5. If the Company has its own Ethical Corporate Management Best Practice Principles in accordance with the " Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies", please describe the difference between them: The Company has established the "Ethical Management Best Practice Principles" and the "Ethical Management Procedures and Code of Conduct", which clearly stipulate the requirements to be followed by the Company's staff and have no major differences from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies".				
6. Other important information that will help to understand the operation of the Company's integrity: (1) The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, the regulations related to TWSE/TPEx listings, and other laws and regulations related to business practices as the fundamental prerequisite for the implementation of ethical management. (2) The Company's "Rules of Procedure of the Board of Directors' Meeting" stipulates that a director who has an interest in the motion presented at a meeting, whether by himself/herself or on behalf of an Institutional Director, shall explain the important contents of his/her interest at the board meeting and shall not participate in the discussion or voting on the motion if there is a risk of damaging the Company's interests, as well as recuse him/herself from the discussion or voting, and is not allowed to exercise his/her right to vote on behalf of other directors during the discussion or voting. (3) The Company has established the "Procedures for Prevention of Insider Trading", which stipulates that Directors, Managers and employees are prohibited from disclosing material internal information to others, from seeking or collecting material non-public internal information that is not related to their personal duties from those who have knowledge of the Company's material internal information, and from disclosing to others any material non-public internal information that is not related to their duties and that is not known to them through business activities.				

(10) Other important information that facilitates the understanding of corporate governance operations may be disclosed together:

1. For important financial/business information of the Company, it is published on the Market Observation Post System and the Company's official website in accordance with the relevant laws and regulations.
2. The Company has established the "Procedures for Handling Internal Material Information" and the "Procedures for Prevention of Insider Trading" to serve as the basis for the Company's mechanism for handling and disclosure of material information, and reviews the relevant procedures from time to time to meet the requirements of the relevant laws and regulations and management needs. The relevant procedures are also disclosed on the Company's official website and the Market Observation Post System for employees to access at any time, and at the same time, the Company's insiders are notified from time to time concerning the attention to internal material information.
3. The status on continuing education for the Company's directors in 2024 is as follows:

Title	Name	Date	Organizing Unit	Course Name	Hours
Independent Director	Chen, Hsin-Liang	May 08, 2025	Taiwan Investor Relations Institute	Essential Knowledge for Directors and Supervisors: Insights into How Offenders Utilize Non-Arm's Length and Related Party Transactions.	3
		November 16, 2025	Taiwan Investor Relations Institute	Insider Trading and Equity Ownership Reporting: A Practical Analysis	3
Independent Director	Lin, Chang-Chih	May 08, 2025	Taiwan Investor Relations Institute	Essential Knowledge for Directors and Supervisors: Insights into How Offenders Utilize Non-Arm's Length and Related Party Transactions.	3
		November 16, 2025	Taiwan Investor Relations Institute	Insider Trading and Equity Ownership Reporting: A Practical Analysis	3
Independent Director	Chen, Run-Qing	May 08, 2025	Taiwan Investor Relations Institute	Essential Knowledge for Directors and Supervisors: Insights into How Offenders Utilize Non-Arm's Length and Related Party Transactions.	3
		November 16, 2025	Taiwan Investor Relations Institute	Insider Trading and Equity Ownership Reporting: A Practical Analysis	3
Independent Director	Lin, Feng-Zhih	May 08, 2025	Taiwan Investor Relations Institute	Essential Knowledge for Directors and Supervisors: Insights into How Offenders Utilize Non-Arm's Length and Related Party Transactions.	3
		November 16, 2025	Taiwan Investor Relations Institute	Insider Trading and Equity Ownership Reporting: A Practical Analysis	3

(11) Status of Implementation of Internal Control System:

1. Statement of Internal Control System: Please refer to Attachment 1 of this Annual Report.
2. If the audit of the internal control system is appointed to a CPA project, the CPA's audit report should be disclosed: Nil.

(12) Important Resolutions of the Shareholders' Meeting and the Board of Directors for the most recent year and up to the date of publication of the Annual Report

1. 2025 and as of the publication date of the Annual Report, important resolutions of the shareholders' meetings and their implementation status.

Date	Important Resolution	Implementation Status
May 29, 2025 (Regular Shareholders' Meeting)	1. The Company's 2024 Business Report and Financial Statements. 2. The Company's Earnings Distribution for the Year 2024. 3. Proposed Amendments to the Company's Articles of Incorporation.	1.Approved. 2.Approved. 3. Approved.

2. 2025 and as of the publication date of the Annual Report, important resolutions of the Board of Directors' meetings and their implementation status.

Date	Important Resolution	
March 11, 2025	Motion 1	Discussion on the Company's 2025 "Assessment of the Effectiveness of the Internal Control System" and "Statement of Internal Control System".
	Motion 2	Amendment to the Company's "Sales and Collection Cycle" Internal Control Procedures.
	Motion 3	Report on significant overdue accounts receivable (outstanding for more than three months) as of December 31, 2024, and January 31, 2025.
	Motion 4	Discussion on the Company's Derivative Financial Instruments.
	Motion 5	Proposed short-term financing facilities with financial institutions for working capital requirements.
	Motion 6	Review and discussion of the 2024 Business Report and Financial Statements.
	Motion 7	Periodic assessment of the independence and competency of the Certified Public Accountants (CPAs).
	Motion 8	Amendment to certain provisions of the Company's "General Principles of the Policy for Pre-approval of Non-assurance Services."
	Motion 9	Amendment to the Company's Articles of Incorporation.
	Motion 10	Proposed amendments to the Company's "Salary Management Regulations."
	Motion 11	Discussion on the distribution of 2024 employees' compensation and directors' remuneration.
	Motion 12	Discussion and ratification of the 2024 year-end bonus for the Chairman.
	Motion 13	Discussion on the 2024 Earnings Distribution.
	Motion 14	Proposal to convene the 2025 Annual General Meeting of Shareholders.
	Motion 15	Discussion on matters related to the acceptance of proposals from shareholders holding 1% or more of the total issued shares.
May 08, 2025	Motion 1	Discussion on the 2025 Q1 Consolidated Financial Report and business operations overview.
	Motion 2	Discussion and ratification of the Company's derivative financial instruments.
	Motion 3	Report on significant overdue accounts receivable (outstanding for more than three months) as of February 28 and March 31, 2025.
	Motion 4	Proposal for lending funds to Lerinc Werkzeugmaschinen & Automation GmbH, a subsidiary of the Magdeburger Werkzeugmaschinen & Automation GmbH Group (a related party), to support its operational development needs.
	Motion 5	Proposal for the establishment of a branch office to meet the requirements of business development and market strategic layout.
August 07, 2025	Motion 1	Amendment to the Company's "Procedures for Managing the Use of Seals."
	Motion 2	Review and discussion of the 2025 Q2 Consolidated Financial Report and business operations overview.
	Motion 3	Discussion and ratification of the Company's derivative financial instruments.
	Motion 4	Proposed short-term financing facilities with financial institutions for working capital requirements.
	Motion 5	Report on significant overdue accounts receivable (outstanding for more than three months) as of April 30, May 31, and June 30, 2025.
	Motion 6	Proposal for lending funds to the related party, Magdeburger Werkzeugmaschinen & Automation GmbH, to support its operational development needs.
	Motion 7	Proposal for the German subsidiary, Quaser Europe Technical Center GmbH, to participate in the cash capital increase of EMC Precision d.o.o.
	Motion 8	Proposal for a capital increase in Chung Shan Quaser Machine Tools Co., Ltd. (Zhongshan) to expand into the Chinese market.
	Motion 9	Discussion on the name change of Chung Shan Quaser Machine Tools Co., Ltd. (Zhongshan).
	Motion 10	Discussion on the Company's 2025 issuance of new common shares for cash capital increase.
	Motion 11	Proposed determination of the ex-dividend record date and payment date for the 2024

Date	Important Resolution	
		cash dividend.
	Motion 12	Discussion on the Company's 2024 Sustainability Report.
November 06, 2025	Motion 1	Discussion on the 2025 Q3 Consolidated Financial Report and business operations overview.
	Motion 2	Report on significant overdue accounts receivable (outstanding for more than three months) as of July 31, August 31, and September 30, 2025.
	Motion 3	Discussion and ratification of the Company's derivative financial instruments.
	Motion 4	Proposed short-term financing facilities with financial institutions for working capital requirements.
	Motion 5	Discussion on the amendment to the previously approved issuance of new shares for cash capital increase, following the Board's resolution to issue new shares via cash capital increase and raise the second domestic unsecured convertible bonds.
	Motion 6	Discussion and ratification of the renewal of Directors and Officers (D&O) Liability Insurance with Cathay Century Insurance Co., Ltd.
	Motion 7	Discussion on the distribution of directors' remuneration for the 2024 .
	Motion 8	Discussion on the distribution of employees' compensation for managers (managerial officers) for the 2024.
December 18, 2025	Motion 1	Proposal for the review and discussion of the Company's Annual Budget for the 2026 Fiscal Year.
	Motion 2	Report on significant overdue accounts receivable (outstanding for more than three months) as of October 31 and November 30, 2025.
	Motion 3	Discussion and ratification of the Company's derivative financial instruments.
	Motion 4	Discussion on the Company's 2026 Internal Audit Plan.
	Motion 5	Amendment to certain provisions of the Company's "General Principles of the Policy for Pre-approval of Non-assurance Services."
March 10, 2026	Motion 1	Discussion on the 2025 "Assessment of Internal Control System Effectiveness" and the "Internal Control System Statement."
	Motion 2	Report on significant overdue accounts receivable (outstanding for more than three months) as of December 31, 2025, and January 31, 2026.
	Motion 3	Proposed financing facilities with financial institutions for working capital requirements.
	Motion 4	Review and discussion of the 2025 Business Report and Financial Statements.
	Motion 5	Periodic assessment of the independence and competency of the Certified Public Accountants (CPAs).
	Motion 6	Discussion on the appointment of the Certified Public Accountants (CPAs) and their audit fees for the fiscal year 2026.
	Motion 7	Discussion on the 2025 Deficit Compensation.
	Motion 8	Amendment to the Company's "Payroll and Personnel Cycle" Internal Control Procedures.
	Motion 9	Amendment to certain provisions of the Company's "Procedures for Election of Directors."
	Motion 10	Proposed amendments to certain articles of the Company's "Salary Management Regulations."
	Motion 11	Discussion and ratification of the 2025 year-end bonus for managerial officers.
	Motion 12	Proposal to convene the 2026 Annual General Meeting of Shareholders.
	Motion 13	Discussion on matters related to the acceptance of proposals from shareholders holding 1% or more of the total issued shares.

(13) Directors who have expressed dissenting opinions on important resolutions approved by the Board of Directors for the most recent year and up to the date of publication of the annual report, which have been recorded or documented in writing, and their main contents: Nil.

4. Accountant Fees

(1) The amount of audit fees and non-audit fees paid to the CPAs, their firms, and their affiliates, and the content of non-audit services.

Unit: NT$ thousand

Name of Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-audit fees					Total	Remarks
				System Design	Industrial and commercial registration	Human Resources	Others	Sub-total		
KPMG	Wu, Chun-Yuan Chang, Tzu-Hsin	January 01, 2025~ December 31, 2025	4,180	—	—	—	115	115	4,295	Note 1
PwC	Lee, Pei-Hsuan	January 01, 2025~ December 31, 2025	—	—	—	—	300	300	300	Note 2
Sun Bridge & Co., CPAs	Kuo, Chun-Jung	January 01, 2025~ December 31, 2025	—	—	—	—	65	65	65	Note 3

Note 1: Refers to travel expenses paid in advance.
Note 2: Refers to the Transfer Pricing Report.
Note 3:Professional fees for Corporate Income Tax (CIT) interim filing certification services.

(2) A change in accounting firm and a decrease in audit fees paid in the year of the change compared to the audit fees paid in the year prior to the change: Nil.

(3) In the event that an audit fee decreases by 10% or more from the previous year, the Company shall disclose the amount, percentage, and reason for such decrease: Nil.

5. Change of Accountants: Nil.

6. The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Firm of the Auditing CPA or Its Affiliated Businesses in the Past Year: Nil.

7. Particulars about Changes in Shareholding and Equity Pledge of Directors, Supervisors, Managers and Shareholders Holding More Than 10% of the Company's Shares in the Past Year and as of the Date of Publication of the Annual Report

(1) Particulars about Changes in Shareholding and Equity Pledge of Directors, Managers and Major Shareholders

Unit: Share

Title	Name	2025		Current Year as of April 10	
		Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease)	Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease)
Chairman	Shieh, Raui-Mu	(37,000)	0	(51,500)	0
Director	Xude Investment Co., Ltd. Representative: Hsia, Ching-Hsuan	0	0	0	0
Director	National Development Fund, Executive Yuan Representative: Lai, Yung-Hsiang	0	0	0	0

Title	Name	2025		Current Year as of April 10	
		Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease)	Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease)
Director and Major Shareholder (Note 1)	Yeh-Chiang Technology Corp. Representative: Wang, Tai-Kuang	0	0	0	0
	Yeh-Chiang Technology Corp. Representative: Pei-Lin Shen				
Director	Chen, Chun-Ya	0	0	0	0
Independent Director	Chen, Hsin-Liang	0	0	0	0
Independent Director	Lin, Chang-Chih	0	0	0	0
Independent Director	Chen, Run-Qing	0	0	0	0
Independent Director	Lin, Feng-Zhih	0	0	0	0
General Manager	Hsieh, Tien-Hsin	(523,000)	0	51,500	0
Deputy General Manager	Chuang, Yung-Huang (Note 2)	0	0	0	0
Deputy General Manager	Huang, Kuo-Chin	0	0	0	0
Deputy General Manager	Lin,Jo-Chen (Note3)	0	0	0	0
Assistant Vice President of R&D Department	Hung, Ming-Hung	0	0	0	0
Assistant Vice President of Management Department and Accounting Supervisor	Lin, Yu-Hsin	0	0	0	0
Assistant Vice President of Production Department	Chen, Kuan-Hung (Note 4)	0	0	0	0
Audit Supervisor	Chan, Hui-Yen	0	0	0	0

Note1:On March 25, 2026, Yeh-Chiang Technology Corp. announced a change in its representative: Mr. Wang Tai-Kuang has been replaced by Mr. Shen Pei-Lin.

Note 2:Retired and resigned from the position of Deputy General Manager on February 28, 2025.

Note 3:Appointed as Assistant Vice President of Production Department on August 11, 2025.

Note 4:Promoted to Assistant Vice President of the Production Department on April 1, 2026.

(2) Information on Equity Transfers to Related Parties by Directors, Managers, and Shareholders Holding More Than 10% of the Shares

Name	Reason of Transfer	Date	Counter-party	Relationship with Directors, Managers, and Shareholders Holding More Than 10% of the Shares	Number of Shares	Price
Shieh, Raui-Mu	Gift	May 19, 2025	Hsieh, Tien-Hsin	First degree of kinship	37,000	-
Shieh, Raui-Mu	Gift	February 10, 2026	Hsieh, Tien-Hsin	First degree of kinship	51,500	-

(3) Information on Pledges to Related Parties by Directors, Managers, and Shareholders Holding More Than 10% of the Shares: Nil.

8. Information about the Top Ten Shareholders who are Spouses or within Two Degrees of Kinship

March 30, 2026; Unit: Share; %

Name	Own shareholding		Shareholdings of the spouse and minor children		Shareholding in other people's names		Title/Name and Relationship of Top Ten Shareholders who are Spouses or within Two Degrees of Kinship		Remarks
	Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %	Title (or Name)	Relationship	
Yeh-Chiang Technology Corp.	12,433,500	22.63	—	—	—	—	—	—	
Yeh-Chiang Technology Corp. Representative: Wang, Tai-Kuang	—	—	—	—	—	—	—	—	
Shieh, Raui-Mu	5,344,310	9.73	—	—	—	—	Hsieh, Tien-Hsin	First degree	
Xude Investment Co., Ltd.	5,107,118	9.29	—	—	—	—	—	—	
Xude Investment Co., Ltd. Representative: Cheng, Shih	—	—	—	—	—	—	Hsia, Liang-Chun Hsia, Ching-Hsuan	First degree First degree	(Note)
National Development Fund, Executive Yuan	1,625,000	2.96	—	—	—	—	—	—	
Yao-Hwa Glass Co., Ltd. Administration Committee	1,625,000	2.96	—	—	—	—	—	—	
Hsia, Liang-Chun	1,121,561	2.04	—	—	—	—	Xude Investment Co., Ltd. Cheng, Shih Hsia, Ching-Hsuan	Company Supervisor First degree Second degree	(Note)
Hsieh, Tien-Hsin	962,014	1.75	—	—	—	—	Shieh, Raui-Mu	First degree	
Hsia, Ching-Hsuan	619,062	1.13	—	—	—	—	Xude Investment Co., Ltd. Cheng, Shih Hsia, Liang-Chun	Company Director First degree Second degree	
Cathay United Bank, Trustee for Hsieh, Tien-Hsin Trust Property Account	560,000	1.02	—	—	—	—	—	—	
Liao, Tzu-En	428,257	0.78	—	—	—	—	—	—	(Note)

Note: The Company does not have access to information on individual shareholders' spouses, minor children, or shareholdings in other people's names.

9. The Number of Shares Held by the Company, its Directors, Managers, and Businesses Directly or Indirectly Controlled by the Company in the Same Investment Property, and the Consolidated Percentage of Shares Held

Unit: Share; %

Re-invested businesses	The Company's investment		Investment by Directors, supervisors, managers or directly or indirectly controlled businesses		Total investment	
	Shareholding	Shareholding %	Shareholding	Shareholding %	Shareholding	Shareholding %
Quaser Europe Technical Center AG	1,000	100%	—	—	1,000	100%
Kunshan Quaser Machine Tools, Inc.	—	100%	—	—	—	100%
Quaser America Machine Tools, Inc.	6,000,000	100%	—	—	6,000,000	100%
Quaser Europe Technical Center Gmbh	25,000	100%	—	—	25,000	100%
Winbro Group UK Limited	27,054,625	100%	—	—	27,054,625	100%
Winbro Group Technologies Limited	9,029,804	100%	—	—	9,029,804	100%
Winbro Group Technologies LLC	—	100%	—	—	—	100%
Zhongshan Xuguang Machinery Technology Co., Ltd.	—	60%	—	—	—	60%
MWA Magdeburger Werkzeugmaschinen & Automation GmbH	—	—	42,995	34.4%	42,995	34.4%

III. Capital Overview

1. Capital and Shares

(1) Share Capital

1. Source of Share Capital

Year	Issue Price (NT$)	Approved Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Source of Capital	Capital Increased by Assets Other than Cash	Others
May 1991	1,000	10,000	10,000,000	10,000	10,000,000	Establishment NT$10,000,000	Nil	Note 1
December 1991	10	2,500,000	25,000,000	2,500,000	25,000,000	Cash capital increase NT$15,000,000	Nil	Note 2
April 1992	10	3,600,000	36,000,000	3,600,000	36,000,000	Cash capital increase NT$11,000,000	Nil	Note 3
August 1994	10	4,266,250	42,662,500	4,266,250	42,662,500	Cash capital increase NT$6,662,500	Nil	Note 4
September 1997	10	4,606,250	46,062,500	4,606,250	46,062,500	Cash capital increase NT$3,400,000	Nil	Note 5
September 1999	10	6,264,500	62,645,000	6,264,500	62,645,000	Conversion of unappropriated earnings to capital NT$13,818,750 Conversion of reserve to capital NT$2,763,750	Nil	Note 6
November 2001	10	7,517,400	75,174,000	7,517,400	75,174,000	Conversion of unappropriated earnings to capital NT$12,529,000	Nil	Note 7
November 2002	10	9,020,880	90,208,800	9,020,880	90,208,800	Conversion of unappropriated earnings to capital NT$15,034,800	Nil	Note 8
December 2003	10	9,359,163	93,591,630	9,359,163	93,591,630	Conversion of unappropriated earnings to capital NT$3,382,830	Nil	Note 9
December 2006	10	13,102,821	131,028,210	13,102,821	131,028,210	Conversion of unappropriated earnings to capital NT$37,436,580	Nil	Note 10
October 2007	10	18,343,944	183,439,440	18,343,944	183,439,440	Conversion of unappropriated earnings to capital NT$52,411,230	Nil	Note 11
December 2007	10	18,343,944	183,439,440	11,175,614	111,756,140	Elimination of shares by merger NT$71,683,300	Nil	Note 12
October 2009	10	18,343,944	183,439,440	12,293,177	122,931,770	Conversion of unappropriated earnings to capital NT$11,175,630	Nil	Note 13
August 2012	10	18,343,944	183,439,440	17,210,440	172,104,400	Conversion of unappropriated earnings to capital NT$49,172,630	Nil	Note 14
August 2013	10	45,000,000	450,000,000	20,000,000	200,000,000	Conversion of unappropriated earnings to capital NT$27,895,600	Nil	Note 15
July 2014	85	80,000,000	800,000,000	21,000,000	210,000,000	Cash capital increase NT$10,000,000	Nil	Note 16
September 2014	40	80,000,000	800,000,000	23,500,000	235,000,000	Exercise of employee stock option NT$25,000,000	Nil	Note 17
September 2014	10	80,000,000	800,000,000	35,250,000	352,500,000	Conversion of unappropriated earnings to capital NT$117,500,000	Nil	Note 18
July 2018	10	80,000,000	800,000,000	39,950,000	399,500,000	Cash capital increase NT$47,000,000	Nil	Note 19

Year	Issue Price (NT$)	Approved Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Source of Capital	Capital Increased by Assets Other than Cash	Others
October 2019	40	80,000,000	800,000,000	44,950,000	449,500,000	Cash capital increase NT$50,000,000	Nil	Note 20
March 2020	40	80,000,000	800,000,000	54,950,000	549,500,000	Cash capital increase NT$100,000,000	Nil	Note 21

Note 1: Ministry of Economic Affairs May 23, 1991 Letter No. 215072
Note 2: December 12, 1991 (80) Chien-San-Chia Letter No. 386641
Note 3: April 21, 1992 Ching(81)Shang Letter No. 106759
Note 4: August 27, 1994 Ching-Tou-Shen(83)Kung-Shang Letter No. 5261
Note 5: September 05, 1997 Ching(86)Shang Letter No. 116935
Note 6: September 20, 1999 Ching(88)Chung Letter No. 88683793
Note 7: November 13, 2001 Ching(90)Chung Letter No. 09033049310
Note 8: November 12, 2002 Ching-Shou-Chung Letter No. 09132980640
Note 9: December 24, 2003 Ching-Shou-Chung Letter No. 09233192600
Note 10: December 19, 2006 Ching-Shou-Chung Letter No. 09533306290
Note 11: October 29, 2007 Ching-Shou-Chung Letter No. 09632969060
Note 12: December 11, 2007 Ching-Shou-Chung Letter No. 09633215840
Note 13: October 08, 2009 Ching-Shou-Chung Letter No. 09833213000
Note 14: September 27, 2012 Ching-Shou-Chung Letter No. 10132542370
Note 15: September 11, 2013 Fu-Shou-Ching-Shang Letter No. 10208411680
Note 16: August 04, 2014 Fu-Shou-Ching-Shang Letter No. 10307642970
Note 17: September 24, 2014 Fu-Shou-Ching-Shang Letter No. 10307727790
Note 18: October 06, 2014 Fu-Shou-Ching-Shang Letter No. 10307753210
Note 19: July 23, 2018 Fu-Shou-Ching-Shang Letter No. 10707367160
Note 20: November 19, 2019 Fu-Shou-Ching-Shang Letter No. 10807621760
Note 21: May 12, 2020 Ching-Shou-Ching-Shang Letter No. 10901068960

2. Share Type

April 10, 2026; Unit: Share

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total	
Common Stock	54,950,000	25,050,000	80,000,000	Listed shares

3. Summary reporting system related information: Nil.

(2) Major Shareholders

March 30, 2026; Unit: Share; %

Shares / Name	Shareholding	%
Yeh-Chiang Technology Corp.	12,433,500	22.63%
Shieh, Raui-Mu	5,344,310	9.73%
Xude Investment Co., Ltd.	5,107,118	9.29%
National Development Fund, Executive Yuan	1,625,000	2.96%
Yao-Hwa Glass Co., Ltd. Administration Committee	1,625,000	2.96%
Hsia, Liang-Chun	1,121,561	2.04%
Hsieh, Tien-Hsin	962,014	1.75%
Hsia, Ching-Hsuan	619,062	1.13%
Cathay United Bank, Trustee for Hsieh, Tien-Hsin Trust Property Account	560,000	1.02%
Liao, Tzu-En	428,257	0.78%

(3) The Company's Dividend Policy and Status of Implementation

1. Dividend Policy

If there is a profit after tax in after closing of accounts, the Company shall first complete taxation in accordance with the law, and then make up the losses for the preceding years, set aside a legal reserve of 10% of the net profit. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the Company may, under its regulations, set aside another sum as special reserve or make reversals thereof; if there are still earnings after the aforesaid distribution, a proposal for distribution of such earnings combined with cumulative undistributed earnings may be proposed by the Board of Directors. Where such distribution is to be made in the form of new share issuance, a proposal shall be submitted to the shareholders' meeting for resolution and distribution.

The Board of Directors under authorization of the Company in accordance with the law shall have the legal reserves and capital reserves as prescribed in Article 241, Paragraph 1 of the Company Act paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The shareholders eligible for the distributed shareholders' dividend shall be limited to those listed on the shareholders' roster as of the record date for the dividend.

The Company shall make distribution of dividend with a total amount no lower than ten percent of the earnings distributable for the year based on the overall circumstances and growth characteristics of the industry, in consideration of the Company's profiting status and future operation needs, with the sustainable operations of the Company as objective and shareholders' equity and the Company's long-term financial planning taken into account.

Where the Company distributes dividend, such distribution may be made in cash or new shares based on the earnings status and overall industry circumstances, provided that the distribution in cash dividend is not lower than sixty percent of the total dividend distributed for the year.

2. Proposed Dividend Distribution at the Shareholders' Meeting

The proposed distribution of the Company's 2025 earnings was approved by the Board of Directors in a motion presented on March 10, 2026 and the proposed distribution is as follows:

Unit: NT$

Items	Amount
Undistributed earnings at the beginning of the year	30,005,932
Remeasurement of defined benefit plans recognized in retained earnings	2,767,978
Undistributed earnings after adjustment	32,773,910
Net profit for the current period	(146,808,685)
Deduct: 10% legal reserve	-
Distributable earnings for the year	(114,034,775)
Distribution Items:	
Cash Dividend (NT$0 per Share)	0
Undistributed earnings at the end of the year	(114,034,775)

(4) Impact on the Company's operating results and earnings per share from the proposed bonus shares at the regular shareholders' meeting: Nil.

(5) Compensation of Employees and Directors.

1.The percentage or scope of the bonuses of Employees and Directors stipulated in the Articles of Incorporation:

If the Company makes a profit for the year, an amount not less than 5.52% for employees' compensation (at least 50% of the allocated employees' compensation shall be designated for salary increases or bonus distributions for junior-level staff) and not more than 2.07% for directors' compensation shall be appropriated. However, the Company shall prioritize the amount to be appropriated to cover any accumulated losses. For employees' stock or cash compensation, only those employees who are still employed by the Company on the date of distribution shall be eligible, including employees of subsidiaries who meet certain criteria.

2.The basis for estimating the amount of compensation to employees, directors and supervisors, the basis for calculating the number of shares of employees' compensation to be distributed by means of stock dividends, and the accounting treatment in the event that the actual amount of compensation distributed differs from the estimated amount:

The compensation to employees, directors and supervisors of the Company is distributed in accordance with the Company's Articles of Incorporation. If there is a discrepancy between the actual distribution amount resolved in the stockholders' meeting and the estimated amount, the discrepancy will be regarded as a change in accounting estimate and adjusted in the year in which the stockholders' meeting resolves the adjustment, and will be recognized as profit or loss in the year of the stockholders' meeting.

3.The status on compensation distribution approved by the Board of Directors:

(1)The amount of employees' compensation and directors' and supervisors' remuneration distributed in cash or stocks. If there is any discrepancy between the actual distributed amount and the estimated amount recognized in the year the expense was incurred, the discrepancy, reason, and treatment shall be disclosed:

The Company incurred an operating loss for the fiscal year 2025;therefore, no employees' compensation or directors' remuneration was accrued.

(2)The amount of employees' compensation distributed in stocks, and the proportion of such amount to the sum of the net income after tax and the total employees' compensation in the parent-company-only or individual financial report:

The Company did not distribute employees' compensation in stocks for the fiscal year 2025;therefore, this item is not applicable.

4.The actual distribution of employees', directors' and supervisors' compensation in the previous year (including the number of shares distributed, amount and price of the shares), and the difference between the actual distribution and the recognized employees', directors' and supervisors' compensation, including the amount, reasons, and handling of the difference: The Company's Board of Directors' meeting on March 11, 2025 resolved to distribute NT$15,880 thousand as compensation to employees and NT$5,950 thousand as compensation to directors for the 2024 fiscal year, all of which were paid in cash, and the amounts were the same as the estimated amounts.

(6) Share Repurchased by the Company: Nil.

2. Corporate Bonds (Including Overseas Corporate Bonds): Nil.

3. Preferred Shares: Nil.

4. Overseas Depositary Receipts: Nil.

5. Employee Stock Options: Nil.

6. Issuance of Restricted Stock for Employees: Nil.

7. Issuance of New Shares for Merger, Acquisition or Exchange of Other Companies' Shares: Nil.

8. Financing Plans and Implementation: As of the publication date of the annual report, there was no incomplete capital utilization plan or completed plan with benefits yet to be realized.

IV. Operations Overview

1. Business Overview

(1) Business overview

1. Main businesses:

The Company mainly engages in the following:

(1) Mechanical Equipment Manufacturing;
(2) Other Machinery Manufacturing;
(3) Computer and Peripheral Equipment Manufacturing;
(4) Other Electrical Engineering and Electronic Machinery Equipment Manufacturing;
(5) Aircraft and Parts Manufacturing;
(6) Product Designing;
(7) Wholesale of Machinery;
(8) Retail Sale of Other Machinery and Equipment;
(9) International Trade

2. The Company's main businesses and their weightings:

Unit: NT$ thousand

Product Type	2024		2025	
	Amount	Percentage	Amount	Percentage
Machining center	1,191,310	36.77%	1,018,437	35.49%
Aerospace machining center	914,179	28.21%	755,923	26.35%
Others	1,134,530	35.02%	1,095,083	38.16%
Total	3,240,019	100.00%	2,869,443	100.00%

3. Currently, the Company's products (services) are as follows:

The Group's main products are Computer Numerical Control (CNC) machines, which belong to the metal cutting machine manufacturing industry of industrial machinery, and are the essential machinery and equipment for all kinds of basic and precision machining, with applications in aerospace industry, national defense industry, automotive industry, general machinery, metal product processing industry and electronic industry, etc. The main categories of the Company's machine products are as follows:

Item	Type	Model	Usage	Applied Industries
1	Vertical machining center	MV1 series MV2 series	Mass production component processing	Machinery, automotive, electronics, molds, etc.
2	Vertical swivel machining center	MV154APC series MK603 series	Mass production component processing	Machinery, automotive, aerospace, electronics, molds, etc.
3	Multi-face machining center	MF series	Complex curve-surfaced component processing	Machinery, national defense, automotive, aerospace, electronics, molds, medical, etc.
4	5-axis machining center	UX series MK5U series	Complex curve-surfaced component processing	National defense, aerospace, electronics, molds, medical, etc.
5	Horizontal machining center	HX series	Massive mass production component processing	Machinery, national defense, automotive, aerospace, etc.

Item	Type	Model	Usage	Applied Industries
6	Horizontal flexible manufacturing units	HX CELL series	Small quantity with wide variety component processing	Machinery, national defense, automotive, aerospace, etc.
7	Multi-face+5-axis flexible manufacturing units	MF / UX CELL	Complex curve-surfaced, small quantity with wide variety component processing	National defense, aerospace, electronics, molds, medical, etc.
8	Turning and milling machine	MTG500	Complex curve-surfaced, small quantity with wide variety component processing	Machinery, national defense, automotive, aerospace, electronics, molds, medical, etc.

4. New products (services) that are planned for development

No.	Item	New technologies or improvements
1	High-precision vertical machining center	Incorporation of ESG-oriented designs and components to improve existing long-selling products.
2	NC - PC	Development of proprietary flexible manufacturing HMI interfaces by Windows PC.
3	New generation 5-axis machining center	Introduction of unique machine structure, enhanced machining/chip removal/operating capability, and technology collaboration with renowned aerospace equipment manufacturers.
4	Generative AI Assistance Services	Combine generative AI with controllers to aid users in solving data searches, shortening learning curves, providing notifications of machine status, and enhancing safety alerts.
5	Extended flexible manufacturing product line	New automated plate storage system for existing 5-axis machines to meet high and varying production demands at the same time.
6	Real-time carbon emissions display	Accurate and real-time control of energy consumption of machines.

(2) Industry Overview:

1. Current Status and Development of the Industry

As of 2025, the cumulative export value of machine tools reached approximately US$2.004 billion, representing a 9.6% decrease compared to the same period in 2024. Among them, the cumulative export value of metal cutting machine tools was US$1.651 billion, down 10% year-on-year, while the cumulative export value of metal forming machine tools was US$353 million, down 7.8% compared to the previous year.

The top ten destinations for machine tool exports in 2025, ranked by export value, were: China (including Hong Kong), the United States, India, Turkey, Vietnam, Thailand, Japan, the Netherlands, Italy, and Malaysia.

2025 Statistical Analysis of Taiwan Machine Center Exports by Country

Unit: US$

Rank	Country	2025 Exports	2024 Exports	Compared to the Same Period (%)
1	Mainland China (including Hong kong)	548,641	630,595	-13.0%
2	The United States	318,054	341,263	-6.8%
3	India	144,952	145,759	-0.6%
4	Turkey	142,157	192,287	-26.1%
5	Vietnam	98,144	89,583	9.6%
6	Thailand	86,329	79,522	8.6%
7	Japan	51,082	52,265	-2.3%
8	the Netherlands	48,632	58,136	-16.3%
9	Italy	43,213	43,813	-1.4%
10	Malaysia	40,145	35,467	13.2%
	Other Countries	482,713	549,257	-12.1%
	Global Total	2,004,062	2,217,947	-9.6%

Source: Customs Administration, MOF, R.O.C.; Data collected by: TMBA

2025 Statistical Analysis of Taiwan Machine Center Exports

Unit: US$

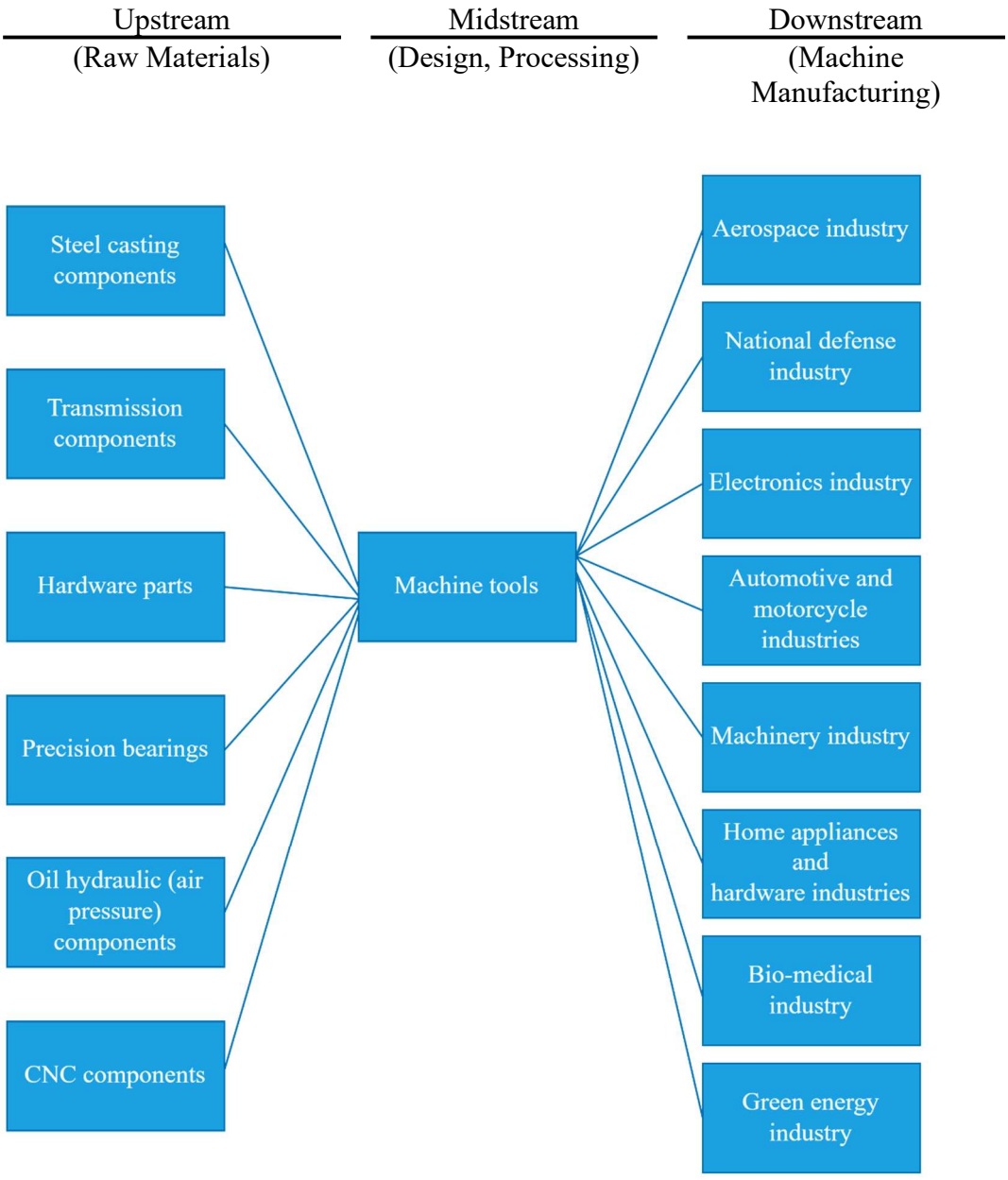
Type of Machine	2025 Exports	2024 Exports	Compared to the Same Period (%)
Electrical discharge, laser, ultrasonic machines	146,079	158,045	-7.6%
Machining center	603,484	658,288	-8.3%
Lathe	435,768	533,625	-18.3%
Auger, boring, milling and screw threading machines	143,241	157,047	-8.8%
Grinder	219,749	214,590	2.4%
Planing, insertion, vertical, and serrated machines	102,395	113,002	-9.4%
Metal cutting machine	1,650,716	1,834,597	-10.0%
Forging and stamping machines	275,303	309,627	-11.1%
Other molding machines	78,043	73,723	5.9%
Metal molding machines	353,346	383,350	-7.8%
Total of Machines	2,004,062	2,217,947	-9.6%

Source: Customs Administration, MOF, R.O.C.; Data collected by: TMBA

In 2025, the global manufacturing sector experienced moderate growth with structural divergence. The machine tool industry began to rebound from its trough, with growth concentrated in sectors such as aerospace, semiconductors, precision components, and automated smart equipment.Looking ahead to 2026, the recovery trend is expected to continue, with 5-axis machining, high-speed/high-precision capabilities, multitasking machining, and AI-powered smart machines becoming the primary market drivers. Geographically, India and Southeast Asia have emerged as the key highlights for export markets.The Taiwanese machine tool industry is currently witnessing a bifurcated trend: while high-end segments remain robust, the mid-to-low-end segments face significant pressure. Consequently, companies possessing capabilities in semiconductor and AI applications, aerospace solutions, and smart turnkey production lines have demonstrated relatively outstanding performance.

2. Relationship between the upstream, midstream and downstream industries

Due to the complexity of the manufacturing process of machines and the large number of components required, most of the raw materials required are supplied by component suppliers, followed by professional design, integration, and assembly by machine manufacturers, and the relationship between upstream, midstream, and downstream is as follows:



3. Various Development Trends and Competitions of the Products

The development trend of Taiwan's machining center can be roughly categorized into seven directions: automation system integration, high efficiency machining, multi-axis precision machining, massive machining, machining center, smart machining, and green energy machining.

(1) Automation System Integration

Due to the demand for automated production caused by the declining labor force and rising wages in Mainland China, there is a trend of gradual increase in automation. Therefore, many machine manufacturers who originally produced single machines have switched to single or multi-machine with robotic arms as a way to bring more value to the products.

(2) High Efficiency Machining

High-efficiency machining has always been the key to improving productivity and reducing costs for machine customers, with many machine manufacturers now focusing on this feature in developing new machines to meet the needs of the global manufacturing industry.

(3) Multi-Axis Precision Machining

Other than integrating multiple models and automation facilities to provide flexible and automated production, machine manufacturers are also actively working towards the development of machine tools that are capable of performing a variety of different machining methods on a single machine simultaneously. For example, by machining metal on a machine with multiple axes, not only can it reduce the time for loading, unloading and line switching, but it can also utilize various axes in conjunction with the main cutting spindle, which enables workpieces to be machined in a single machining process.

(4) Massive Machining

The energy policy of the United States in recent years has called for a reduction in imports from overseas, as well as substantial increase in its own self-sustainability rate, while encouraging enterprises to carry out energy development, and is now shifting towards an energy-exporting country, with more requirements for oil and gas development-related equipment and transportation systems, massive machines, such as gantry machining centers, massive vertical lathes, massive horizontal lathes, and massive milling machine processing, etc., have all become a top choice for the energy industry's procurement.

(5) Machining Center

In the development of the aerospace industry, 5-axis machining and machining centers are the most representative machining center products procured, due to the most complex shapes of components and the highest machining precision requirements.

(6) Smart Machining

With the rapid emergence of smart manufacturing, the importance of the machine tool hardware structure has become less important, instead, the use of APP to monitor the CNC machines has emerged, with international machine manufacturers such as DMG/MORI, MAZAK, OKUMA, etc. have all invested a large number of talents and resources in the design of the company's own APP for controlling the CNC machines, focusing on the appeal of smart manufacturing, which allows APP access by smart phones, tablets, etc. from remote locations to control the entire CNC machine via Internet and the plant's intranet site. With regard to intelligent robots, it will also be an extremely important development trend for the precision machinery industry in the future, and major foreign manufacturers, including Japan's FANUC, have been actively moving towards the development of intelligent robots with visual sensors and force sensors to significantly enhance their smart functions.

(7) Green Energy Machining

With the advancement of precision and functionality in the machines, the impact on the environment is also increasing. Therefore, the design of green machines with energy-saving functions will become the future trend.

(3) Technology and R&D Overview

1. R&D expenditures for the most recent year and as of the publication date of the annual report

Unit: NT$ thousand; %

Item / Year	2025
R&D expenditures	136,542
Net operating income	2,869,443
Percentage (%)	4.76%

2. Successful development of technologies or products for the most recent year and as of the publication date of the annual report

Item No.	Successfully developed technologies or products
1	Double-station Vertical 5-axis Machining Center Model Name: MF700 flex
2	High-speed & High-precision Horizontal Machining Center Model Name: HX500
3	High Performance-to-Price Ratio 5-axis Machining Center Model Name: Proflex.600
4	High Performance-to-Price Ratio 5-axis Machining Center Model Name: Proflex.500

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

Ever since the establishment of the Group, the Group has been actively expanding its high-precision and automated production equipment, with a view to enhancing the production efficiency, expanding the production capacity and improving the technological level, developing towards high value-added products, and creating operational efficiencies. The short-term and long-term development plans of the Company are hereby presented as follows:

1. Short-term Business Development Plans

(1) Marketing Strategies

A. To secure the domestic and overseas market channels, and to develop the emerging market distributors:

Particularly on Quaser's export to Europe. In recent years, Quaser has also developed the emerging markets of China and Southeast Asia, and has built up its marketing model through exhibitions and advertisements.

B. Establishment of good relationship with end customers through distributors in different countries:

By utilizing the distributor system to localize the service, we will be able to establish a seamless service with our end customers.

C. Establishment of technology centers in Europe, US and China:

To provide machine supply with short delivery time, with zero time lag for technical and component services and machining applications.

D. Strengthening of customer service quality system:

To establish a two-way communication channel between the Company and the customer, and to provide after-sales services, prioritize customer feedback, and strive for customer satisfaction in order to stabilize the long-term relationship with customers.

(2) Production Strategies

A. Promotion of smart production lines:

Paperless and real-time reporting system for production lines, visualization of production lines, enhanced education and training for versatile employees, introduction of TPS through M-Team consultant education and training, elimination of production line waste, and improvement of production line efficiency.

B. Standardization and improvement of product qualities:

By introducing a full-featured 48-hour non-stop test, we will be able to simulate the customer's processing conditions and production environment, thereby optimizing the quality and performance of the machine.

C. Supplier/third party manufacturer quality consulting

By participating in SPEMA cross-industry alliances and M-Team, we are able to satisfy the customization of products and short delivery time through service differentiation, increase the value of the industry, and strive to achieve the goals of high quality, short delivery time, and low cost productions with our supply chain partners.

(3) Product Development Direction

A. Integration of internal products and creation of new specifications for mass production of 3-axis machining centers:

Establishment of a standardized product group that incorporates ESG mindset, introduction of energy-saving and sustainable design methods and components, and embedding of generative AI to enhance users' product experience.

B. Products' capability of meeting customer's service life and Quaser's warrantied original maximum output value:

Further development of new products with high quality and long-lasting performance, and a new product lineup with a five-year warranty.

C. Crossover products development:

With the resources of subsidiaries, the Company will collaborate in the production of turbine engine blade laser drilling machines for aerospace and other applications, as well as horizontal product expansion; and collaborate in the development of new manufacturing processes for semiconductor wafer laser drilling machines across multiple fields.

D. Machining center smart compensation:

For the demand of diversified and small amount of processing in the whole line, the integration of smart online measurement and compensation processing will be carried out by specialized projects; the introduction of single-machine products will enable them to meet the ever-changing and flexible needs of the customers.

(4) Business scale and financial synergy

A. Refinement of management and enhancement of administrative efficiency:

Effective planning of the company's management system, implementation of enterprise information computerized operation, with a view to building full information integration, analysis and customer service, promoting performance management system, and improving administrative efficiency.

B. Financial management:

Establishment of financial policies and proper utilization of funds.

C. Implementation of internal audit system:

D. Emphasis on staff training and development:

2. Long-term Business Development Plans

(1) Marketing Strategies

A. Strengthening of brand image

Quaser Machine Tools has been marketing worldwide under the "QUASER" brand, and is well known in the industry for its high quality and service value, which has also been recognized by the "National Award of Outstanding SMEs". Quaser Machine Tools will continue to improve its professional image, and gain the trust of customers for the Quaser brand, so as to expand its brand awareness and enhance its competitive edge.

B. Cross-unit resource integration

Flexibility in adjusting organizational structure and integrating cross-unit resources to meet the needs of internal and external customers.

(2) Production Strategies

A. Introduction of Toyota-style management

Lower inventory costs, reduced manufacturing process waste and shorter delivery

times.

B. Adjustment of production structure model

To make adjustments to the production structure in accordance with the industrial cycle, gradually adjusting from a multi-capacity model to a specialized division model, and striving to maximize the efficiency of production.

(3) Product Development Direction

A. Product positioning of quality and long-lasting:

Adhere to the premise of technological progress, focusing on the expansion of inner-culture prior to the production. Our many years of experience in both domestic and international after-sales service has been transformed into the core of our products, and we take excellent quality and long-lasting functionality as the direction of our product development. From the actual customer needs, we adopt the technical solutions that are able to maximize the benefits of Quaser, as well as the products that fit the customers' production lifespan needs.

B. Technical collaboration with major British, German and Japanese machine manufacturers:

In the future, Quaser will collaborate with well-known British aerospace manufacturers to produce a series of aerospace products which will be applied to the aerospace industry. Meanwhile, Quaser will also combine the market strengths of Germany and Japan to carry out technological collaborations for the joint research and development and manufacturing of machining centers.

C. New aspects that incorporate ESG mindset

To strike a balance between product functionality and sustainability. In terms of environmental factors: We introduce energy-saving monitoring and low energy consumption technologies. In terms of social factors: We design our products with operator safety and health in mind, and adhere to the principles of human rights and labor rights during the manufacturing process. In terms of governance: We comply with environmental and social laws and regulations. Through regular evaluations and improvements, we fulfill our responsibilities to the environment, society, and governance.

(4) Business scale and financial synergy

A. The Company will keep expanding its business scale in a steady pace, actively cultivate corporate governance, implement internal auditing, cultivate excellent R&D talents, strengthen R&D capabilities in order to enhance product competitiveness, and combine long-term marketing strategies and production policy goals to improve production efficiency and product quality, so as to gradually expand its operating lines and business scale.

B. Expansion of operating scale through the development of new markets and continuous growth in existing markets.

2. Market and Sales Overview

(1) Market analysis

1. Main product (service) sales (provision) areas

Unit: NT$ thousand

Year / Area		2024		2025	
		Amount	%	Amount	%
Domestic		379,696	11.72	127,868	4.45
Overseas	Europe	1,338,998	41.33	1,181,616	41.18
	Asia	646,262	19.94	452,382	15.77
	America	861,862	26.60	1,102,525	38.42
	Others	13,201	0.41	5,052	0.18
Total		3,240,019	100.00	2,869,443	100.00

2. Market Share

Unit: NT$ thousand

Item	2024	2025
Total sales of Taiwan's machining centers	18,857,391	16,119,196
Total sales of the Group's machining centers	1,191,310	1,094,091
Market share	6.32%	6.79%

Source: Department of Statistics, MOEA, prepared by Quaser.

Based on the statistical analysis by the Department of Statistics, MOEA, the sales of machining centers in Taiwan amounted to NT$18,857,391 thousand and NT$16,119,196 thousand in 2024 and 2025, respectively. If calculated using the sales of the Group's machining centers in 2023 and 2024, the market share of the Group's machining centers in Taiwan were 6.32% and 6.79%, respectively.

3. Future market demand/supply and growth

(1) Future market supply

The application of machining center covers automotive, bicycle, aerospace, molding, national defense, biomedical equipment and 3C industries, proving that the scope of application is extremely broad, and that the energy and aerospace industries will be the key markets in the coming years. Currently, in addition to capitalizing on the cost advantage of Taiwan's machine tool industry in entering the international market, the industry is also making every effort to develop manufacturing services to promote the upgrading of machining products and increase market supply.

(2) Future market demand

Based on the survey of American Machine Tool Association, nearly half of the annual output value of the global machines were sold to the automotive and motorcycle parts and components production lines. In recent years, with the rapid development of the electronics industry, the 3C products production line has become the fastest-growing market among the machine tool products. The direction of machine tool industry development planning will likely continue to focus on the 3C industry or its peripheral products. Given the characteristics of light, thin, short, and small electronic products, the precision requirements of components are becoming more demanding, while the requirements of the automotive industry for machines are moving in the direction of larger size and automation.

(3) Future market growth

A. The implementation of quantitative easing in Europe has raised inflation expectations and stimulated manufacturers' willingness to invest in equipment.

B. As the U.S. economy continues to improve, some European markets have regained growth momentum, and the decline in international crude oil prices has stimulated demand in the automotive market. It is anticipated that the demand for machines in the relevant regions will be greater than that of the previous year.

C. The rise of new players in Southeast Asia, including India and Indonesia, is expected to bring another wave of demand and opportunities to the global machine tool industry.

4. Competitive niche

(1) The Company commits itself to the profession, whose image is also well recognized.

The Group has been established for more than 30 years, with its own brand "QUASER" boasting a good reputation and image. Over the years, the Group has been adhering to a high quality policy and striving to fulfill its customers' satisfaction, and has passed the ISO9001 certification of the international quality management system in 2012, and its products comply with the European Union's CE safety standards. The Group places strict requirements on the quality of its products and technological standards, and constantly researches and develops new products, and with its comprehensive product line, the Group has been able to hold a considerable competitive edge in the machine market.

(2) Management team with professional and rich experience.

The Group's current management team members focus on the operation of the basic machine tool industry, and the key executives are experienced in the changing industry environment, product development trend, production and manufacturing, and marketing operations, etc. The Company's revenue and profit have shown year-on-year growth in recent years, which demonstrates the professionalism of the management team and the outstanding operational performance.

(3) Competent R&D capability and advanced technology of products.

In addition to actively engaging in the R&D of manufacturing process technologies, the Group also collaborates with the Mechanical and Mechatronics Systems Lab and Precision Machinery Research & Development Center ("PMRDC") to acquire technology transfer and the latest product information, which enables the Group to have a competitive edge in the development of production technologies; and innovates based on the existing foundation, which has resulted in fruitful R&D achievements over the past years.

(4) Flexible production and proper positioning and differentiation strategy.

In order to cope with the demand for customized products and shortened delivery time, the Group has been continuously seeking to increase the added-value of its products and establish outsourcing systems and modular production technology to reduce production costs and shorten delivery time. In addition, with a comprehensive range of products and solid product development capabilities, the Group has positioned its products in the high value-added premium machine market, and has secured a position in the mid-range and high-end machine market dominated by Japan and Germany by capitalizing on its pricing advantages, while avoiding price competition in the industry.

(5) Expansion of domestic and overseas points of sale and provision of sound after-sales services.

The Group collaborates with distributors with sales and maintenance capabilities and provides them with logistic and technical support to enhance their marketing and service capabilities, enabling them to expand their domestic and overseas sales markets, provide immediate after-sales support and build up a good brand image.

(6) Stable supply sources and reduced production costs

The Group possesses an organized and systematic supply chain management system and has been collaborating with suppliers of key components such as controllers and precision bearings for a long time, and has formed a good partnership with them over the years. Meanwhile, in order to expand its production capacity, the Group adopts bulk procurement, which allows for greater bargaining room and a stable source of supply of raw materials at relatively low prices, thus providing the Group with a competitive edge in the product market.

5. Favorable and Unfavorable Factors and Countermeasures for the Development Outlook

(1) Favorable factors

A. Development of the own brand

The Group markets its products worldwide under the "QUASER" brand name, and is well known in the industry for its high quality and service value, which has been awarded the "National Award of Outstanding SMEs", and the excellent brand image has been well established in the public's mind.

B. Outstanding R&D and innovation capabilities

Since the establishment of the Group, we have been actively investing in the R&D resources each year, cultivating R&D personnel, developing high-precision, high-efficiency and automated products, and have earned a number of international certificates and patents as well as gaining a competitive edge in product development; Quaser Machine Tools has also been technically collaborating with major manufacturers in Germany, the U.S., and Japan with an eye to upgrading our technology and strengthening our core competitiveness.

C. On-time after-sales services

The Group collaborates with distributors with sales and maintenance capabilities and provides distributors with training and logistic support. In addition, the Group has also established a comprehensive service network in North America, Europe and China by setting up technical centers in the U.S., Germany and China. Together with the local distributors, the Group is able to provide prompt spare parts replacement and consultation services to satisfy the needs of its customers in North America, Europe and China in terms of timely delivery, repairs and various needs.

D. Wide range of domestic and overseas points of sale and sound services.

The Group has established long term and reliable relationships with distributors both domestically and internationally to provide users, distributors and customers with comprehensive support, technical services, machining applications and training centers. The Group has also invested in the establishment of a 5-axis training center to provide training to users, distributors and employees, coupled with the Precision Machinery Research & Development Center and industry-academia cooperation, to satisfy the needs of machining applications, 5-axis machining or multi-face machining.

E. Excellent product quality

Over the years, the Group has been adhering to the philosophy of quality, service and efficiency, and has long been committed to the development of machine safety technology, providing machines that comply with safety design standards around the world. Our products have been certified by CE, GB, ISO, UKCA certifications.

F. Vertical labor division between the central plant and third party plants

With the sophisticated centralized network of Taiwan's machine tool industry, Quaser is able to establish a fast supply network through the long-term collaboration with component manufacturers to improve production efficiency and flexibility.

(2) Unfavorable factors

A. The Group's products are mainly exported, and drastic changes in the exchange rate market will pose a greater impact on the Company.

a. Devaluation of the Japanese Yen

The devaluation of the Japanese yen has resulted in a significant disadvantage for Taiwan's machine tools in terms of price competition.

B. Reliance on foreign suppliers for key components

Key components such as controllers and spindles, are mostly supplied by major German and Japanese manufacturers and account for a high percentage of the cost, rendering the bargaining power relatively less flexible.

C. Reciprocal Tariff Policy

In 2025, the impact of the reciprocal tariff policy and the resulting market uncertainty led to a more conservative stance on corporate investment. These pressures have even compelled some production lines to relocate to Mexico or Southeast Asia, triggering risks of industrial hollowing-out and volatility in the domestic labor market. In the long run, the chain reaction of price increases ignited by tariffs will drive imported inflation, which in turn weakens consumer purchasing power and subsequently dampens overall economic growth momentum.

(3) Countermeasures for unfavorable factors

A. Countermeasures for the exchange rate

The Group's products are mainly exported, particularly in the European market, which is the largest market. Changes in import and export exchange rates will affect the profitability.

a. Gradually reduce foreign currency inventories to lower the risk of foreign exchange fluctuations.

b. Increase the ratio of derivative financial instruments (pre-sale of forward

foreign exchange) to lower the risk of foreign exchange loss that may arise from future collections.

c. Establish an internal control system and implement it in a continuous manner.

B. Countermeasures for the reliance on foreign suppliers for key components.

a. The Group collaborates with a number of suppliers to diversify its supply sources.

b. Reduce procurement costs by bulk procurement.

c. Keep strengthening our partnership with German manufacturers and actively seek collaboration with other well-known manufacturers to strengthen our self-manufacturing capabilities and reduce our reliance on the procurement of key components from overseas.

C. Countermeasures Against Reciprocal Tariff Policies

The Company aims to enhance supply chain resilience and accelerate global expansion to diversify manufacturing capacity and mitigate over-reliance on any single region. Furthermore, the Company is committed to increasing the added value of its technology, ensuring its products possess irreplaceable market competitiveness.

(2) Important usages and manufacturing processes of major products

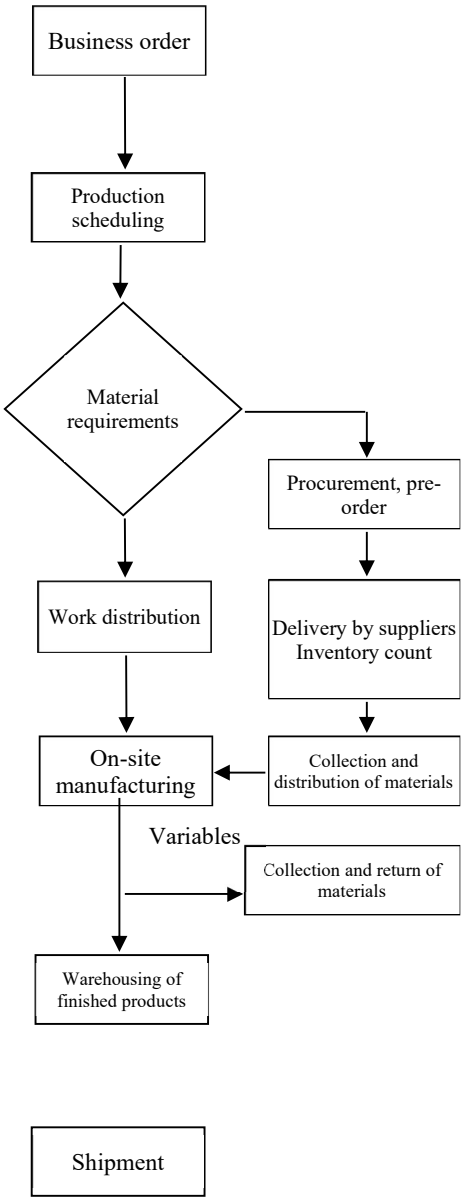
1. Important usages of major products

The Company mainly engages in the development, design, production, manufacture and trading of Computer Numerical Control (CNC) machine tools, primarily as metal and non-metal cutting machine tools. The products are widely used in the component processing for machinery, national defense, automotive, aerospace, electronics, molding, and medical industries. The Company's products feature high precision, high rigidity, heavy cutting processing, and the major products are categorized as follows:

Item	Type	Usage	Applied Industries
1	Vertical machining center	Mass production component processing	Machinery, automotive, electronics, molds, etc.
2	Vertical swivel machining center	Mass production component processing	Machinery, automotive, aerospace, electronics, molds, etc.
3	Multi-face machining center	Complex curve-surfaced component processing	Machinery, national defense, automotive, aerospace, electronics, molds, medical, etc.
4	5-axis machining center	Complex curve-surfaced component processing	National defense, aerospace, electronics, molds, medical, etc.
5	Horizontal machining center	Massive mass production component processing	Machinery, national defense, automotive, aerospace, etc.
6	Horizontal flexible manufacturing units	Small quantity with wide variety component processing	Machinery, national defense, automotive, aerospace, etc.
7	Multi-face+5-axis flexible manufacturing units	Complex curve-surfaced, small quantity with wide variety component processing	National defense, aerospace, electronics, molds, medical, etc.
8	Turning and milling machine	Complex curve-surfaced, small quantity with wide variety component processing	Machinery, national defense, automotive, aerospace, electronics, molds, medical, etc.

2. Production Process

The production process of the Company adopts the production schedule in accordance with the business orders, and the procurement will be proposed upon systematic integration of the material requirements. The production management department will distribute the works in accordance with the production schedule to the production units and the material department for material collection and production. The finished products are then inspected and stored in the warehouse before shipment.



(3) Supply of key raw materials

The key raw materials for the Company's products are controllers, castings, transmission mechanisms, and sheet metal, all of which are sourced from domestic suppliers of high quality or from well-known overseas manufacturers. The Company works well with all suppliers, and the procurement prices are revised regularly in accordance with the actual global raw material supplies and costs.

Key Material	Supplier	Source and Quality
Controller	Company A, Heidenhain, Company B, Mitsubishi	Manufactured in Japan and Germany, supplied by domestic distributors, with stable quality and supply.
Casting	Company E, Company D, Saw Chen	Made in Taiwan, with stable quality and supply.
Spindle	ABM, Spinder, Company M	Manufactured in Japan, Germany or assembled in Taiwan with key components procured from abroad, with stable quality and supply.
Ballscrew	NSK, THK, Hiwin	Stable quality and supply.
Linear guide	NSK, THK, Hiwin, DS	Stable quality and supply.
Metal Sheet	Chung Inn, Keyarrow, Yifong, Fongei	Made in Taiwan, with stable quality and supply.

(4) The names of customers that accounted for 10% or more of total purchases or sales in any of the two most recent years, the amount and percentage of purchases or sales, and the reasons for any changes.

1. Information on suppliers that accounted for 10% or more of total annual net purchases in any of the past two years:

Unit: NT$ thousand; %

Item	2024				2025				2026/Q1			
	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the distributor	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the distributor	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the distributor
	Suppliers accounting for more than 10% of the total amount of no purchases				Suppliers accounting for more than 10% of the total amount of no purchases				Suppliers accounting for more than 10% of the total amount of no purchases			
	Net purchase	1,693,514	100.00		Net purchase	1,326,640	100.00		Net purchase	384,122	100	
Reasons for change: Nil.												

2. Names of customers who accounted for more than 10% of the total annual amount net sales in any of the past two years:

Unit: NT$ thousand; %

Item	2024				2025				2026/Q1			
	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the distributor	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the distributor	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the distributor
1	Company G	525,612	16.22	Nil	Company G	853,807	29.76	Nil	Company G	149,024	27.07	Nil
2	Company R	384,021	11.85	Nil	Company R	284,147	9.9	Nil	Company R	56,659	10.29	Nil
	Others	2,330,386	71.93		Others	1,731,489	60.34		Others	344,916	62.64	
	Net sales	3,240,019	100.00		Net sales	2,869,443	100.00		Net sales	550,599	100.00	
Reasons for the changes:Revenue in 2025 decreased by 11% compared to 2024, primarily due to the impact of U.S. tariff policies.												

3. Employee Information for the Past Two Years and as of the Publication of the Annual Report

Year		2024	2025	As of April 10, 2026
Number of Employees	Management	49	48	45
	Business	17	17	16
	Production	50	47	48
	Technician	24	24	23
	After-sales service	13	16	15
	Quality Assurance	19	17	16
	Total	172	169	163
Average age		42.8	43.4	43.4
Average years of service		11.5	12.2	12.1
Academic Distribution	Ph.D	—	1.2%	1.2%
	Master's degree	1.74%	2.4%	2.4%
	College	70.35%	71.0%	71.2%
	High school	25%	22.5%	22.7%
	Below high school	2.91%	3%	2.5%

4. Environmental Expenditure Information

Information on Environmental Safety and Health:

(1) Environmental safety and health performance

1. Dajia plant, the operating headquarter, was certified in 2015 for ISO 14001: 2015 environmental management system, and has been certified periodically with the latest certification valid until December 11, 2026.
2. Dajia plant, the operating headquarter, was certified in 2015 by ISO 90001: 2015 quality management system and has been certified periodically with the latest certification will be valid until December 11, 2026.
3. Dajia plant, the operating headquarter, was hazard-free in 2024 (361,528 cumulative hours without incapacitating injuries).
4. Dajia plant, the operating headquarter, obtained ISO 14064-1:2018 in 2022, as well as an external certification of GHG emissions information for the year 2021.
5. Dajia plant, the operating headquarter, obtained ISO 14064-1:2018 in 2023, as well as an external certification of GHG emissions information for the year 2022.
6. Dajia plant, the operating headquarter, obtained ISO 14064-1:2018 in 2024, as well as an external certification of GHG emissions information for the year 2023.
7. Winbro's U.S. plant was certified ISO 3485: 2016 medical device quality management system in 2023, with the latest certification valid until August 23, 2026.
8. Winbro's U.S. plant was certified through the NADCAP non-conventional processing certification in 2023 and has been certified periodically, with the latest certification valid until May 31, 2027.
9. Winbro's U.K. plant was certified through the NADCAP non-conventional processing certification in 2023 and has been certified periodically, with the latest certification valid until May 31, 2026.

(2) Water resources and wastewater management

1. Dajia's plant is equipped with wastewater treatment facilities, which discharges the treated wastewater to the sewers in the industrial area after meeting the discharge standard.
2. The Company has applied for permits for water pollution prevention measures in accordance with the law, and appoints accredited testing institutions by the Ministry

of Environment to conduct monthly inspections of wastewater discharges at the plant in order to effectively monitor the quality of discharges on a regular basis. The wastewater discharges in 2025 were in compliance with the standards.

3. Regular drills are conducted annually in accordance with the wastewater treatment procedures to minimize the impact caused by wastewater treatment anomalies on the environment.

(3) Waste management

The Company's wastes mainly consist of domestic garbage and general production wastes, which are disposed of by means of recycling and reuse, direct disposal (incineration and landfill), and outsourced removal services. In 2025, the Company recycled 32.1 metric tons of scrap metal and 13.6 metric tons of paper waste.

(4) Energy management and reduction

The Company conducts annual GHG inventories and has obtained verification statements from the Precision Machinery Research and Development Center for the years 2022 to 2024. The 2025 GHG inventory was conducted through self-verification.

GHG emissions:

The Company's inventory covered the Dajia site and the information on GHG emissions for each year is as follows:

Emissions (metric tons)	2022	2023	2024	2025 (Self-conducted inventory)
Scope 1	126.70	128.78	129.33	117.6
Scope 2	801.60	735.17	786.74	665.59
Total	928.30	863.95	916.07	783.19

Annual inventories will be conducted on an ongoing basis to facilitate the establishment of reduction goals and strategies.

Total amount of losses (including compensation) and penalties incurred as a result of environmental pollution, as well as future countermeasures (including improvement measures) and possible expenditures (including the estimated amount of losses, penalties and compensation that may occur if no countermeasures are taken, and if it is not possible to reasonably estimate the amount of losses, penalties and compensation, an explanation should be provided as to why it is not possible to reasonably estimate such amounts): Nil.

5. Labor Relations

(1) List out the Company's various employee welfare measures, continuing education, training, and retirement systems and their implementation, as well as the agreements between labor and management and various measures to protect the rights and interests of employees.

1. Various employee welfare measures and their implementation

The Company regards its employees as important assets. In order to pursue the sustainable operation of the Company, the Company has always been committed to the harmony between employers and employees and emphasizes on the welfare of the employees, and has established various generous employee welfare measures to promote the loyalty of the employees and achieve mutual existence and prosperity between the Company and the employees. Ever since the establishment of the Company, we have been regarding our employees as the greatest asset of the Company. Through a fair and open recruitment strategy, we have been implementing the spirit of the Gender Equality Act, whereby all employees are treated equally regardless of gender, religion, race, or political party, respecting all talents, employing people with physical and mental disabilities, and optimizing the sustainable development of the Company, as well as collaborating with

various universities and colleges in organizing industry-academia collaborations and corporate visits to recruit talents from various sources. The comprehensive welfare system provided by the Company is as follows:

Welfare measures	Implementation status
Insurance/medical coverage	The Company has taken out labor insurance and national health insurance in accordance with the law, so that each employee is adequately covered. In addition, we have increased the coverage of group insurance for employees and travel insurance for business travelers. The total expenses for 2025 were NT$314 thousand.
Marriage and funeral subsidies	In order to improve the welfare of employees, the Company provides wedding gifts and condolence payments for the loss of family members, with nine recipients in the year 2025.
Festival and birthday gifts	A total of NT$1.669 million was granted in 2025 for festival and birthday gifts.
Maternity, hospitalization and home purchase subsidies	A total of 4 people claimed maternity and hospitalization subsidies in 2025.
Employee bonus	The Company, in case of profitability, will appropriate no less than 5.52% as employee compensation to allow both employees and employers in sharing the business results.
Parental leave without pay	In 2025,a total of three employees applied for parental leave without pay
Domestic and overseas travel subsidy	For the year 2025, the domestic and international travel subsidies have been replaced with gift cards totaling NT$1.35 million
Paid volunteer leave	A total of 378 instances of paid volunteer leave were applied for in 2025, amounting to 1,754 hours.
Employee stock ownership trusts	The Company implements profit-sharing by providing incentives equal to the amount of employee deposits, and a total of NT$1.609 million was appropriated in 2025 as incentives.
Long service bonus for employees	In recognition of the long-term contributions of employees who have completed a certain number of years of service, a total of NT$430 thousand of long service bonus was granted in 2025.
Employee canteen	The Company provides free Chinese food and free dinner for those who work overtime.
Others	Employee uniforms, employee parking, and dining subsidies.

2. Employees' continuing education and training

The Company provides training for new employees to facilitate their understanding of the Company's product positioning and future development, and to assist them in starting their careers as soon as possible. For on-the-job training, each department arranges external or internal education and training courses on a regular or irregular basis in accordance with actual needs to enhance the professional skills of employees.

In terms of management talent cultivation, we have established a learning system in accordance with the functional development of each level of supervisors. In terms of succession planning for key management personnel, we also conduct regular talent readiness inventories and prepare individual development plans in accordance with the strengths and weaknesses of these personnel, which include online courses, project assignments, strategic rotations, and group function exercises, as well as regular English language courses in line with the globalization of the Group's business that require our management executives to improve their English language proficiency. In 2025, a total of 4 managers participated in 130 hours of English courses.

For employees who wish to continue their education in obtaining degrees or licenses,

we offer a subsidy program to encourage them to pursue continuing education and maintain their competitive edge.

3. Retirement system and its implementation

In order to fulfill the needs of our employees after retirement, the Company has established the following labor retirement plans in accordance with the law.

(1) Labor pension fund (the old fund)

In accordance with the Labor Standards Act, a monthly pension fund of 4% of the total salary cost should be appropriated and deposited in the Bank of Taiwan to protect the rights and interests of laborers. The accumulated amount has reached NT$49,888 thousand by the end of 2025.

(2) Labor pension fund (the new fund)

On July 1, 2005, the Company has started the parallel adoption of the Labor Pension Act, under which 6% of the employee's monthly salary should be contributed to the employee's individual pension account according to the employee's insurance coverage; for those who choose to make voluntary contributions to the pension fund, the amount will be deducted from the employee's monthly salary to the employee's individual pension account in the Bureau of Labor Insurance based on the rate of voluntary contributions. The Company's contribution to the new pension fund for 2025 was approximately NT$8,335 thousand.

The Company's applicable provisions of the Labor Pension Act are as follows:

(1) Voluntary retirement: A worker may apply for voluntary retirement under any of the following conditions: (For those who opt to adopt the Labor Pension Act, the same regulations shall apply)

(a) Where the worker attains the age of fifty-five and has worked for fifteen years.

(b) Where the worker has worked for more than twenty-five years.

(c) Where the worker attains the age of sixty and has worked for ten years.

(2) Forced retirement: An employer shall not force a worker to retire unless any of the following situations has occurred:

(a) Where the worker attains the age of sixty-five.

(b) Where the worker is unable to perform his/ her duties due to disability.

The Company may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

Mr. Chuang Yung-Huang, Deputy General Manager of the Company, completed 25 years of service on February 28, 2025, and has officially applied for retirement. In the spirit of caring for employees, the Company has provided retirement benefits that are more favorable than those stipulated under the Labor Standards Act, ensuring his well-being after retirement.

4. Labor-management agreements and measures to protect employees' rights and interests

The Company is people-oriented and values the well-being of its employees. Regular labor-management meetings are held for two-way communication to facilitate labor-management relations, improve labor conditions, and promote employee welfare, etc. To date, the Company's labor-management relations have been harmonious and there have been no disputes between employees and employers.

The Company has established related human resources management rules to ensure that employees are aware of their rights and should comply with the code of conduct. In addition, the Company has also established a Human Resource Review Committee to which

employees may address any concerns about their rights and interests.

5. Code of conduct or ethical behavior of employees

In order to clarify regulations governing the rights and obligations of employers and employees, and to maintain the workplace's order of employment, "Work Rules" have been established in accordance with the law, and have been approved by the competent authorities and publicly disclosed, so as to ensure that the management of the Company's employees. The Work Rules clearly stipulate the appointment and reassignment of employees, working hours, salaries, discipline, rewards and penalties, dismissal, severance with pay, retirement, training, appraisal, and welfare measures. The Company has always been committed to integrity, transparency and accountability in its business activities. In order to fulfill the Company's business philosophy and core values, we have established the "Ethical Management Best Practice Principles" to guide our directors, managers and all employees to act in accordance with ethical standards, to comply with all laws and regulations, and strictly prohibits the offer or acceptance of bribes and the offer or acceptance of improper advantages. We are committed to upholding the principle of honesty and integrity, preventing conflicts of interest, and preventing opportunities for self-gain.

6. Employee safety and workplace protection measures and their implementation

Regarding the management and supervision of employee safety and health, the Occupational Safety and Health Management Unit is responsible for preventing occupational hazards and ensuring the safety of the work environment for employees through the following protective measures:

(1) Adhere to the Occupational Safety and Health Management Policy and emphasize on safety records and healthy environment, provide safe and healthy working conditions and operating environment for employees and those who may be affected, and prevent injuries and health impacts that may be caused by the works.

(2) Conduct safety and health education and training for new recruits and existing employees in accordance with the Occupational Safety and Health Act.

(3) Eliminate hazards and reduce occupational safety and health risks, and conduct risk assessments on safety, health, and environment in accordance with the requirements of the Occupational Safety and Health Management System, so as to provide employees with a safe and healthy working environment, as well as to carry out health management and health promotion for employees.

(4) Security guards are stationed in the work area to safeguard the company's property and personnel.

(5) Provide free health checkups for employees, and set up a medical room and health care personnel to provide assistance to employees in health promotion and health management.

(6) Provide regular training to employees on firefighting, first aid, and evacuation in accordance with the Fire Services Act and its enforcement rules.

(2) Losses incurred as a result of labor disputes for the most recent year and up to the publication date of the annual report, as well as disclosure on the estimated amount and measures to be taken to deal with such losses that may be incurred in the present and in the future, and, if they are not able to be reasonably estimated, the reasons for such inability to be reasonably estimated: Nil.

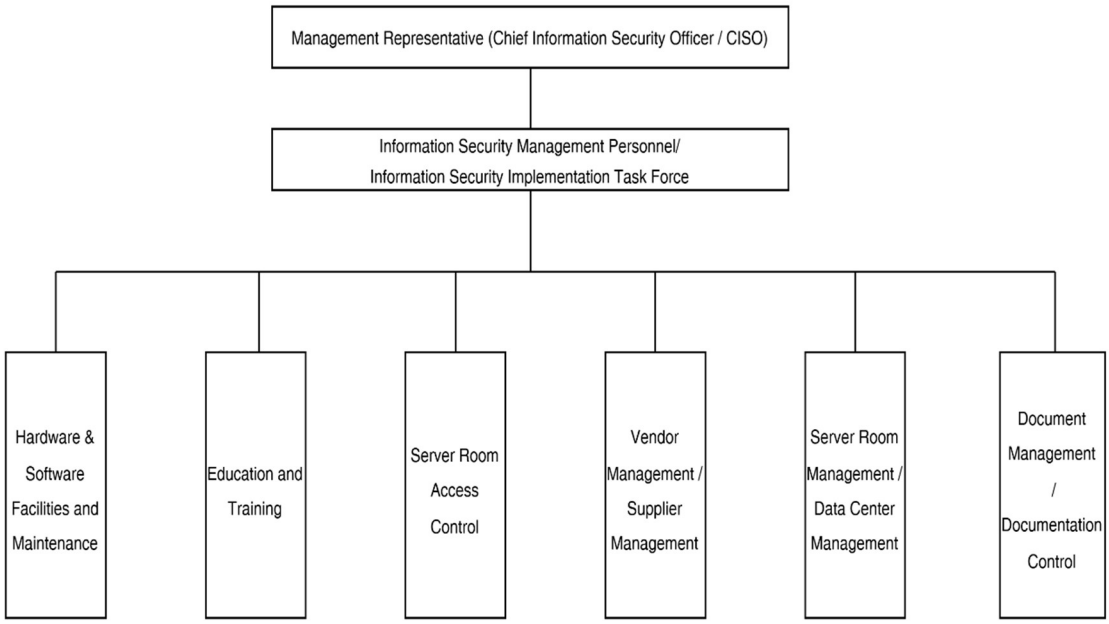
6. Information Security Management

To ensure the stable operation of the company's information systems and the confidentiality, integrity, and availability (CIA) of data, we have established a robust information security

management framework and continuously promote related policies and management measures. Through effective security defense and management mechanisms, we are committed to mitigating information security risks and strengthening our overall defensive capabilities

(1) Information security risk management framework:

The Company's information security supervisor and dedicated personnel are responsible for the planning, execution, and promotion of information security management issues, promoting information security awareness, with senior executives participating in the supervision and reporting the status of information security management to the Chairman from time to time, as well as incorporating information-related regulations into the control and management rules and regulations, with the Board of Directors as the decision-making level. The Audit Office conducts regular annual reviews to ensure the confidentiality, integrity, availability, and legality of information assets. If deficiencies are found, the unit in question should be required to propose an improvement plan and report it to the Board of Directors, and the effectiveness of such improvement should be tracked on a regular basis in order to lower internal information security risks.



(2) Information Security Policy and Concrete Management Schemes:

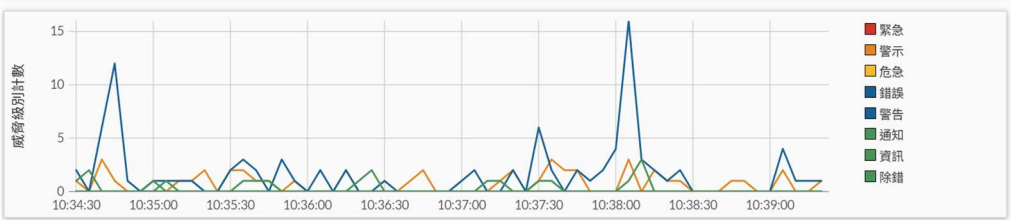
Our company operates in accordance with the Information Security Management System (ISMS), establishing robust risk control measures and operating procedures to ensure business continuity.

1. The assessment framework is based on the three factors of Confidentiality, Integrity, and Availability (CIA), where a higher multiplier reflects the greater criticality of the asset. Access privileges within each system are assigned based on specific job roles. Furthermore, we are evaluating the implementation of Active Directory (AD) Server management for personal computers to further enhance overall security posture.

Integrity	Availability	Value
Compromised data integrity would cause severe damage to the organization or even lead to business termination.	Upon anomaly, access for authorized users must be restored within 0–1 hour(s).	5
Compromised data integrity would cause damage to the organization, but the impact is not severe.	Upon anomaly, access for authorized users must be restored within 1–4 hours.	4
Despite compromised data integrity, the organization can still maintain normal operations.	Upon anomaly, access for authorized users must be restored within 4–8 hours.	3
The asset has standard requirements for data integrity.	Upon anomaly, access for authorized users must be restored within 8–12 hours.	2
The asset has minimal requirements for data integrity.	Upon anomaly, access for authorized users can be restored after 12 hours or more.	1

2. Establish evaluation criteria for the probability of threats and vulnerabilities; review firewall logs based on these criteria, and configure whitelists, blacklists, and firewall policies.

Likelihood Assessment Criteria	Score / Value
High frequency, occurring more than once a week on average	5
Frequent occurrence, occurring more than once a month on average	4
Occasional occurrence, occurring more than once a quarter on average	3
Rare occurrence, occurring more than once a year on average	2
Not applicable to this information asset or frequency is less than once a year	1



Confidentiality	Value
Level 3: Highly Confidential / Restricted1. Information contained in the asset is classified as confidential by the company or by law.2. Access is restricted to internal personnel responsible for the specific task.3. Available only to relevant internal personnel or authorized external entities.	3
Level 2: SensitiveThe information asset contains some sensitive information but has no special confidentiality requirements.	2
Level 1: General / PublicThe information asset has no special requirements for confidentiality or sensitivity.	1

3. In accordance with the ISO 27001 Information Security Risk Assessment Management Procedure—specifically the Impact/Loss Evaluation Criteria—analyze the security requirements for the information assets of each group, propose recommendations for acceptable risk levels, and generate a 'Risk Treatment Plan'.

Impact on Operations (including suspension), Financial Loss (NTD), and Brand/Reputational Damage	Value
Over 72 hours OR > NT$10 Million OR Severe collapse of trust and loss of market value	5
Over 24 hours to 72 hours (inclusive) OR NT$3 Million – 10 Million OR Severe negative media coverage	4
Over 8 hours to 24 hours (inclusive) OR NT$500,000 – 3 Million OR Attracts media or customer attention	3
Over 4 hours to 8 hours (inclusive) OR NT$100,000 – 500,000 OR Localized negative impact	2
Under 4 hours (inclusive) OR < NT$100,000 OR None	1

Risk Treatment Plan

Date of Completion: March 7, 2025

Current Status Description	Risk Mitigation Measures	Method of Improvement	Applicable ISO 27001 Controls	Responsible Department	Estimated Completion Date	Actual Completion Date
Using outdated antivirus software.	Update antivirus software.	Coordinate with external vendors for integrated updates.	7.1	Management Department	2025/3/1	2025/3/20

Notes:Risk Value Calculation

A.Information Asset Value = Confidentiality (C) + Integrity (I) + Availability (A)

B.Risk Priority Number (RPN) = Information Asset Value × Threat Likelihood × Vulnerability Likelihood × Impact Loss

(3) Execution Status Description

1. Disabling SMB Services: Disabled SMB-related services to mitigate potential attack risks. Simultaneously, transitioned the employee document scanning process to email-based delivery to reduce PC storage usage and enhance file transfer efficiency.
2. Seamless Network Architecture Integration and Centralized Backend Management: Integrated the factory-wide network for unified backend management to boost overall office productivity. The management system now provides clear visibility into device status for rapid troubleshooting. Guest Wi-Fi has been brought under a strict management mechanism, including bandwidth throttling, session duration limits, and clear segmentation between internal and external networks.
3. Continuous Optimization of E-Form System Workflows: Ongoing optimization of electronic form processes to reduce paper consumable costs and accelerate the approval cycle, improving operational efficiency and tracking management.
4. Implementation of ISO 27001 Information Security Management System (ISMS): Adopted ISO 27001 standards to comprehensively upgrade the company's cybersecurity defenses and strengthen the protection of server rooms and overall server infrastructure.
5. Centralization of CCTV DVR/NVR Units into the Server Room: Relocated all camera hosting systems into the server room for centralized control. Access is restricted to

authorized personnel only to prevent accidental or unauthorized configuration changes.

6. Strengthening Email Usage Regulations and Backup Mechanisms: Standardized the use of QUASER accounts as the primary user accounts and established mail flow rules (sending/receiving) to ensure that email backups and data governance comply with company security policies.
7. Operating System Upgrades for R&D Personnel: Upgraded all R&D workstations from Windows 7 to Windows 10 to improve data security. Coordinated with software vendors to provide compatible Windows 10 versions, ensuring a stable and secure operating environment.

(4) Resources Invested in Cybersecurity Management (Hardware and Software)

1. Server Room and Server Equipment: Maintenance contracts are signed annually with original equipment manufacturers (OEMs) for server room facilities and servers. Annual Cost: Approx. NT$1,821,020.
2. Seamless Network Architecture Integration: Integration of 23 ZYXEL Wi-Fi devices and the establishment of a centralized backend management system. Cost: Approx. NT$50,000.
3. ISO 27001 Certification/Implementation: Introduction of the ISO 27001 standard to enhance the company's information security posture. Cost: Approx. NT$250,000.
4. OEM Maintenance and System Updates: Maintenance contracts with original vendors to ensure regular version updates and keep all systems current. Annual Cost: Approx. NT$1,000,000.
5. SmartIT Implementation: Deployment of SmartIT to improve the integrity of software/hardware control, employee behavior monitoring, cybersecurity, asset anomaly queries, and production cycle management. This system supports the audit department by generating fixed annual audit reports. Annual Maintenance Cost: Approx. NT$70,000.
6. Veeam Backup Solution: Utilization of Veeam backup software and hardware to ensure full system and data integrity. Incremental backups are retained for 15–30 days. Hard drive health is inspected annually, and storage capacity is upgraded as needed. Annual Cost: Approx. NT$30,000.

(5) Losses, potential impacts, and countermeasures resulting from significant information security incidents for the most recent year and up to the date of the annual report, and if they are not able to be reasonably estimated, the reasons for such inability to be reasonably estimated: Nil.

7. Important Contracts

Contract Type	Counterparty	Contract Start and Ending Dates	Main Contents	Terms and Conditions
Technological collaboration	Company M (Japan)	Effective from February 28, 2012, the counterparty should be notified three months prior to the termination of the contract.	OEM collaboration	Confidentiality
Technological collaboration	Company M (Sweden)	Effective from October 2022, the counterparty should be notified six months prior to the termination of the contract.	OEM collaboration	Confidentiality
Borrowing contract	Bank groups such as Taishin International Bank and other syndicate lenders	Loan amount of NT$1,290,000,000 with a term of five years from the initial utilization date.	Syndicate loan	Restriction on solvency

V. Review and Analysis of Financial Status and Business Results and Risk Issues

1. Financial Status: The Main Causes and Impacts of Significant Changes in Assets, Liabilities, and Equity for the Last Two Years, and Future Plans to Address Such Significant Impacts.

Unit: NT$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	3,077,125	2,991,111	(86,014)	(2.8)
Investments accounted for using equity method	30,868	—	(30,868)	(100)
Property, plant and equipment	442,547	375,659	(66,888)	(15.1)
Right-of-use assets	114,695	167,735	53,040	46.2
Investment Property	—	89,629	89,629	–
Intangible assets	468,828	484,291	15,463	3.3
Other assets	105,188	159,655	54,467	51.8
Total assets	4,239,251	4,268,080	28,829	0.7
Current liabilities	1,842,468	2,102,624	260,156	14.1
Non-current liabilities	715,307	681,529	(33,778)	(4.7)
Total liabilities	2,557,775	2,784,153	226,378	8.9
Capital stock	549,500	549,500	—	—
Capital reserve	820,363	842,246	21,883	2.7
Retained earnings	222,491	(86,400)	(308,891)	(138.8)
Other equity	89,122	96,501	7,379	8.3
Non-controlling Interests (NCI)	—	82,080	82,080	—
Total equity	1,681,476	1,483,927	(197,549)	(11.7)

1. Analysis and description (for the changes of 20% or more, and the changes with an amount of NT$10 million or more):
   (1) Decrease in Investments Accounted for Using the Equity Method:
   The decrease is due to an increase in the shareholding of Zhongshan Xuguang Co. from 40% to 60% following a capital injection this period. As the Group has obtained control, Zhongshan Xuguang Co. is now included in the scope of consolidation.
   (2) Increase in Right-of-Use Assets:
   The increase is primarily due to rent adjustments (increases) for buildings leased by the Group in the United States.
   (3) Increase in Investment Property: The increase is attributed to the acquisition of real estate by the Group in Germany.
   (4) Increase in Other Assets: The increase is mainly driven by the growth in Deferred Tax Assets.
   (5) Decrease in Retained Earnings: The decrease resulted from the distribution of cash dividends and the net loss incurred from operations during the current period.
   (6) Increase in Non-controlling Interests (NCI): The increase is due to the inclusion of Zhongshan Xuguang Co. in the consolidated financial statements this period. As the Company holds a 60% interest, the remaining 40% held by minority shareholders is recognized as non-controlling interests based on their proportionate shareholding.

2. Future response plan: The above changes have had no material impact on the Company's finance and operating position.

2. Financial Performance: Main reasons for significant changes in operating income, net operating profit and pre-tax net profit in the last two years, sales forecast and the basis, and possible impact on the Company's future financial status and the response plan:

(1) Financial performance comparison and analysis

Unit: NT$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Operating revenue	3,240,019	2,869,443	(370,576)	(11.4)
Gross profit	1,032,264	902,517	(129,747)	(12.6)
Operating income	339,854	(58,106)	(397,960)	(117.1)
Non-operating income and expenses	(22,593)	(84,162)	(61,569)	272.5
Profit before income tax	317,261		(459,529)	(144.8)
Income tax expense	104,669	6,165	(98,504)	(94.1)
Profit for the period	212,592	(148,433)	(361,025)	(169.8)
Other comprehensive income for the period, net of tax	77,927	13,378	(64,549)	(82.8)
Total comprehensive income (loss)	290,519	(135,055)	(425,574)	(146.5)

1.Analysis and description (for the change of 20% or more, and the amount of change of NT$10 million or more):

(1) Decrease in Operating Income:
The decline was primarily due to an increase in bad debt expenses recognized this period, resulting from a bankruptcy filing by a related party.

(2) Increase in Non-operating Expenses:
The increase was mainly driven by higher foreign exchange losses caused by the depreciation of the U.S. Dollar during the period.

(3) Decrease in Income Tax Expense:
The decrease was primarily a result of the decline in overall profitability.

(4) Decrease in Net Income Before Tax and Net Income for the Period:
The reduction was mainly due to the decline in gross profit and the impact of recognized bad debt losses.

(5) Decrease in Other Comprehensive Income and Total Comprehensive Income:
The decrease was primarily caused by the reduction in net income for the period, combined with the impact of exchange differences on translation of foreign operations.

2.Future response plan:To address these challenges, the Group will optimize its global strategic layout and actively expand its business footprint. We will focus on strategic, high-tech, and high-growth markets while investing in the development of highly automated and intelligent smart machinery to enhance profitability. Furthermore, the Group will continue to execute rolling foreign exchange hedging to mitigate unfavorable factors caused by international currency fluctuations.

(2) Expected sales volume and its basis, potential impact on the Company's future finance and operation, and the response plan:

1. Expected sales volume and its basis: Based on the market information collected by the business department and the sales forecast provided by the distributors, the annual sales target will be set upon compilation and evaluation.
2. Potential impact on the Company's future finance and operation: No material impact on the Company's future finance and operation.
3. Response plan: The Company will continue to actively engage in the research and development of manufacturing process technology and to collaborate with renowned universities and research

institutes to acquire technology transfer and the latest product information, so as to enable the Company's products to remain in a leading position in the market at the technological level.

3. Cash Flow: Analysis of changes in cash flow for the most recent year, improvement plan for the liquidity shortfall, and analysis of cash liquidity for the coming year.

(1) Analysis and description of changes in cash flow in recent years

Unit: NT$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Net cash flows from (used in) operating activities	40,398	277,245	236,847	586
Net cash flows from (used in) investing activities	(225,739)	(167,784)	57,955	(26)
Net cash flows from (used in) financing activities	142,448	(48,333)	(190,781)	(134)

Analysis of changes in the percentage of increase/decrease of 20% or more:

1. Increase in Net Cash Inflow from Operating Activities:
   The increase was primarily driven by a decrease in accounts receivable, an increase in other payables, and a reduction in the amount of income taxes paid during the current year.
2. Decrease in Net Cash Outflow from Investing Activities:
   The decrease was mainly due to the cash inflows arising from the acquisition of a subsidiary, as well as the partial collection of loans granted to related parties during this period.
3. Increase in Net Cash Outflow from Financing Activities: The increase was primarily attributed to the distribution of cash dividends and an increase in the repayment of long-term borrowings during the current year.

(2) Response plane for liquidity shortfall: The Company will utilize bank borrowings to meet its future capital needs, therefore, there is still no risk in cash liquidity.

(3) Analysis of cash flow in the coming year:

Unit: NT$ thousand

Beginning cash balance (1)	Estimated net cash flows from (used in) operating activities (2)	Estimated net cash flows from (used in) investing activities (3)	Estimated net cash flows from (used in) financing activities (4)	Cash surplus (Deficit) forecast (1+2+3+4)	Remedies for deficit of estimated cash	
					Investment plan	Financing plan
923,588	200,000	(100,000)	(100,000)	923,588	—	—

Description:

1. Net cash inflow from operating activities of NT$200,000 thousand: This was primarily generated from the sale of machinery and after-sales service operations.
2. Net cash outflow from investing activities of NT$100,000 thousand: This was mainly attributed to capital expenditures (CAPEX) for the acquisition of new assets.
3. Net cash outflow from financing activities of NT$100,000 thousand: This was primarily due to the repayment of bank borrowings.

4. **Impact of Major Capital Expenditure in the Past Year on the Financial Status:** There were no significant capital expenditures in recent years.

5. Investment Policy in the Past Year, the Main Reason for Its Profit or Loss, the Improvement Plan and Investment Plan in the Next Year

Unit: NT$/foreign currency in thousand

Item / Company	Shareholding	Amount Invested	Profit (loss) for the Period from Investees	Main Reasons for Profit or Loss	Improvement Plan	Investment Plan for the Coming Year
Quaser Europe Technical Center AG	100%	3,076	103	Currently the operation center has been moved to Germany	Nil	Nil
Kunshan Quaser Machine Tools, Inc.	100%	US$1,280	6,493	The company is operating normally	Nil	Nil
Quaser America Machine Tools, Inc.	100%	189,455	(651)	The company is operating normally	Nil	Nil
Winbro Group UK Limited	100%	1,804,141	111,420	The aerospace market is recovering and experiencing steady growth	Nil	Nil
Quaser Europe Technical Center Gmbh	100%	206,706	(70,393)	The European economy has slowed down, and brand recognition still requires time to build	Continuously expand the European market.	Nil
Winbro Group Technologies Limited	100%	GBP 90	GBP (4,530)	Recovery in the aerospace market alongside an economic slowdown in Europe	The recovery momentum of the aerospace market continues to strengthen.	Nil
Winbro Group Technologies LLC	100%	US$33,576	US$ 9,553	The company is operating normally	Nil	Nil
Zhongshan Xuguang Machinery Technology Co., Ltd.	60%	RMB 30,000	(23,167)	Brand awareness requires time to build during the initial stages of operation.	Continuously develop the machine tool market in China.	Nil
MWA Magdeburger Werkzeugmaschinen &Automation GmbH	34.396%	EUR 430	EUR (4,099)	Profitability was impacted by the economic slowdown in Europe.	Nil	Nil

6. Analysis and Assessment of Risk Issues in the Past Year and as of the Date of Publication of the Annual Report:

(1) Impact of changes in interest rates, foreign exchange rates, and inflation on the Company's profit or loss and future countermeasures:

1. Changes in interest rates:

The Group's interest expenses in 2024 and 2025 amounted to NT$31,505 thousand and NT$35,421 thousand, respectively, representing **0.97%** and **1.23%** of the net operating revenue for those periods. Driven by inflationary pressures and the monetary policy shifts of major economies, rising interest rate levels have led to an increase in interest expenses. To mitigate this, the Group continues to utilize relatively low-interest financing instruments to maintain overall financing costs at a reasonable level.

2. Changes in foreign exchange rates:

The Group's foreign exchange gains (losses) for the years 2024 and 2025 were NT$24,108 thousand and (NT$35,349) thousand, respectively, representing 0.74% and (1.23%) of the net operating revenue for those periods. As the Group is primarily export-oriented, fluctuations

in exchange rates have a significant impact on our operations. To mitigate the risks associated with exchange rate volatility, the Group has implemented the following measures:

(1) Rolling Management of Foreign Currency Reserves:
Continuously adjusting foreign currency inventory to reduce exposure to exchange rate fluctuations.

(2) Utilization of Derivative Financial Instruments:
Increasing the use of derivatives—including forward contracts, foreign exchange swaps (FX Swaps), and cross-currency swaps (CCS)—to hedge against potential exchange rate risks arising from future receivables.

(3) Strengthening Internal Control Systems: Establishing and rigorously enforcing internal control procedures to ensure consistent execution of risk management policies.

3. Inflation:

With the increase in prices of raw materials by some suppliers since 2023, the Group has adjusted the selling prices of some of its products in a timely manner and has been exploring alternative suppliers and alternative raw materials to minimize the impact of inflation. The Group will continue to maintain good relationships with its suppliers and customers, keep track of the global economic trend, and make timely adjustments to its procurement and sales strategies in order to cope with the impact of inflation, and the same applies to 2025.

(2)Policies for engagement in high-risk, highly leveraged investments, lending of funds to others, endorsements and guarantees, and derivatives transactions, main reasons for profits or losses, and future countermeasures:

1. The Group's financial policy is based on a steady and conservative principle and the Group does not engage in high-risk and highly leveraged investments.
2. All of the Group's lending funds to others are subsidiaries within the consolidated /individual financial statements and have been processed in accordance with the "Procedures for Lending Funds to Others" and in compliance with the relevant laws and regulations.
3. The Group has not engaged in endorsement and guarantee for the most recent year and up to the publication date of the annual report. Should the Group decide to engage in endorsement and guarantee in the future, it will be processed in accordance with the "Procedures for Endorsement and Guarantee" stipulated by the Group and relevant laws and regulations.
4. The Group conducts derivative financial instrument transactions in accordance with its established 'Procedures for Derivatives Trading.' The primary objective of engaging in these transactions is to hedge against risks associated with exchange rate volatility. The trading volume is strategically planned based on the Group's actual foreign exchange reserves and cash flows from operations; these are not high-risk or high-leverage products and do not have a material adverse effect on the Group's financial position or profitability. For the years 2024 and 2025 , the Group’s engagement in forward exchange, foreign exchange swap, and cross-currency swap contracts resulted in unrealized valuation losses on financial instruments at the end of each period, amounting to NT$0 thousand and NT$1,536 thousand, respectively.

(3) Future R&D plans and estimated R&D expenses:

1. Future R&D plans

Since its founding, the Group has focused on developing and designing machines based on the demands of the European market. In recent years, the Group has actively expanded into the U.S. and Asian markets, developing a universal platform to ensure scalability and upgradability across different product lines. By integrating software (AI control systems) and hardware (high-rigidity structures) for synchronized upgrades, the Group has enhanced its overall market competitiveness.

New cutting-edge machining technologies serve as the foundation for new product planning, building a core brand image centered on "High Precision, Green Manufacturing, and Smart Innovation," aimed at attracting a broad range of customer segments.

The Group manufactures CNC vertical, horizontal, and five-axis machining centers and has been actively advancing towards Industry 4.0 smart manufacturing in recent years. Key initiatives include digitalizing production management, implementing automation, upgrading intelligence, and enhancing after-sales service platforms. Through the use of big data management, the Group can quickly respond to operational needs and manufacturing processes, positioning Quaser as a pioneer

in the smart machinery sector and a benchmark in high-end five-axis machining centers.

(1) High-Performance-to-Price Ratio 5-Axis Machining Center
Our self-developed 5-axis machining centers are strategically positioned with a focus on high cost-effectiveness. By precisely optimizing key machining performance and implementing a localized manufacturing strategy, we effectively control production costs. While maintaining uncompromising machining precision, rigidity, and reliability, we offer a competitive price advantage over comparable imported equipment. This creates higher Return on Investment (ROI) for our customers and serves as a vital growth driver for our entry-level product line.

(2) Modular 5 Axis Flexible Machine
Redefining the possibilities of precision machinery: where 'Stability' and 'Agility' complement each other to achieve both high efficiency and superior precision. Our modular 5-axis machine tool represents more than just a technical evolution—it is a transformation of production philosophy. Combining simultaneous 5-axis multitasking with heavy-duty 3-axis cutting capabilities, this machine seamlessly satisfies diverse machining requirements, providing the sales force with a unique strategic angle to penetrate the market.

(3) High-Performance 5-Axis Machining Center
Collaborating with major European manufacturers, our uniquely developed 5-axis machining centers continue to drive product line expansion through a comprehensive range of specifications. Featuring an innovative modular architecture and unique structural design, these machines offer efficient downward chip disposal and high spatial utilization flexibility. With simultaneous 5-axis machining and high-precision, high-specification imported B/C axes, the design ensures a short distance between the operator, the spindle, and the workpiece. This ergonomics-focused approach, combined with superior aerospace-grade applications, is perfectly positioned to meet the future demands of the aerospace industry for advanced mill-turn multitasking capabilities.

(4) Ultra-Rigid Precision Machine
By utilizing high-strength materials and computational topology optimization, the structural weight has been reduced by 20% while maintaining superior rigidity, resulting in a 50% increase in cutting capacity and machining stability. The system features adaptive rigidity that responds to diverse operating environments and real-time load monitoring to ensure precision remains uncompromised. Engineered to support high-difficulty machining of materials such as titanium alloys and carbon fiber, these machines are designed to meet the demands of high-end clientele. We directly address the rigorous requirements of the aerospace, semiconductor equipment, and high-precision mold manufacturing markets.

(5) Carbon-Neutral Smart Machine
A. Energy-Saving Operation Mode:
Incorporates intelligent energy-saving modes, reducing standby power consumption by 50% and operational energy usage by 30%.
B. Full Lifecycle Carbon Footprint Tracking:
Tracks carbon emissions data in real time throughout the machine’s operational lifecycle, helping customers achieve carbon neutrality goals and comply with ESG standards. This enhances brand image in the green manufacturing sector, with sustainable manufacturing enterprises as the target market.

(6) Intelligent Optimized User Interface
We develop tailored user interfaces specifically designed for complex, multitasking operations. By balancing intuitive convenience with unique functionalities, our interfaces create a synergistic effect for the company’s signature products while satisfying the needs of specialized clients. Features include motion control, real-time visualization, scheduling, and integrated maintenance and diagnostics. These capabilities allow us to meet diverse market demands for automation, multitasking, and inspection-integrated functions.

(7) Next-Generation Horizontal Machining Centers
In response to evolving client product designs, we have adopted a horizontal-oriented layout specifically engineered to enhance machining efficiency. Equipped with multi-axis

capabilities—including 3-axis, 4-axis, and 5-axis configurations—the system provides exceptional flexibility to meet the multi-sided cutting requirements of complex workpieces. By integrating advanced CNC systems with intelligent technology, we provide an intuitive user interface that simplifies operation and enables real-time monitoring of machine performance. These machines are ideal for a wide range of sectors, including aerospace, automotive manufacturing, and semiconductor equipment components, satisfying the demands of various industries for high-efficiency and high-precision machining.

2. The Group invested NT$133,193 thousand and NT$136,542 thousand on R&D in 2024 and 2025, accounting for 4.11% and 4.76% of the Group's turnover, respectively. In the future, the Group will continue to invest a considerable amount of R&D expenditures in automation, intelligence, and high- and low-end five-axis machining centers in order to enhance the competitiveness of the Group.

(4) Impact of changes in domestic and overseas policies and laws on the Company's financial operations and the countermeasures:

In addition to operating in compliance with relevant domestic and overseas laws and regulations, the Group also pays close attention to the development trend of domestic and foreign policies and regulations in order to better understand the changes in the market environment. There have been no significant impacts on the Group's financial operations as a result of significant domestic and overseas policy and legal changes in the recent years and up to the date of publication of the annual report of the Company.

(5) The impact of technological changes (including information security risks) and industry changes on the Company's financial operations and the countermeasures:

In response to rapid technological advancements and the evolving industrial environment, the Company continues to implement digital management tools and strengthen information security (Cybersecurity) protection mechanisms to mitigate operational and data risks. Meanwhile, we closely monitor industry trends to proactively adjust our business and financial strategies, enhancing operational efficiency and risk resilience to ensure the Company's long-term stable development.

(6) The impact of corporate image change on corporate crisis management and the countermeasures:

Since its establishment, the Group has been building up a good corporate brand and image with its quality, service and efficiency. In the future, the Group will continue to devote itself to the functional training and development of employees so as to enable them to create high standards of productivity and subsequent efficiencies. Until now, the Group has not experienced any significant impact due to the change in corporate image.

(7) Expected benefits, possible risks and countermeasures associated with merger and acquisition:

Mergers and acquisitions will continue to be part of the Company's future development plans. However, as of the date of publication of the annual report, the Company has yet to have any merger and acquisition goals and plans, and will continue to cautiously assess the risks and benefits in order to maximize the Company's interests and protect shareholders' rights and interests.

(8) Expected benefits, possible risks and countermeasures associated with plant expansion:

In order to meet the production capacity requirements for the Company's medium and long-term operational growth and to improve the quality of raw materials, the Group plans to set up a processing plant in its medium and long-term operational development plan. The new facility will not only accept customer orders for parts processing but also manufacture key components in-house to ensure stable machine delivery schedules and consistent quality. As of the publication date of the annual report, when the Company has specific plans in the future, the Company will carefully evaluate the investment benefits and possible risks to ensure the development of the Company and the interests of shareholders.

(9) Risks and countermeasures associated with the over-reliance of procurement or sales of a certain source/target:

1.Except for the Group's sales to Company G,which accounted for 29.76% of the Group's sales in 2025, the Group's sales to a single customer did not exceed 10%, and therefore the Group is unlikely to be exposed to the risk of sales concentration.

2. The Group's major raw materials for its products are controllers, castings, transmission mechanisms and sheet metal, etc. The Group maintains more than two suppliers for its key raw materials in order to minimize the risk of supply shortage. The Group has been collaborating with its major suppliers

for many years and there has not been any supply shortage in the past. There was no such concentration of supply as no single supplier accounted for more than 10% of the Group's total procurement for the year 2025.

(10) Impacts, risks on the Company due to substantial transfer or replacement of shareholdings of directors or major shareholders holding more than 10% of the Company's shares and the countermeasures:

The Company has not experienced any substantial transfer or replacement of shareholdings of directors or major shareholders holding more than 10% of the Company's shares in recent years and as of the publication date of the Company's annual report.

(11) Impacts, risks and countermeasures associated with the change in ownership of the Company:

There were no changes in the Company's ownership in the most recent year and up to the publication date of the annual report.

(12) If there is any litigation or non-litigation, please list the significant litigation, non-litigation or administrative litigation with its judgment already made or pending which is related to the Company or the Company's Directors, General Manager, actual person in charge, shareholders holding more than 10% of the Company's shares or affiliates. If the result may have a significant impact on the shareholders' equity or the price of the Company's shares, please disclose the fact of the dispute, the claim amount, the date of commencement of the litigation, the principal litigants and the handling of the situation as of the date of publication of the annual report: Nil.

(13) Information Security Risks and Countermeasures

To ensure the stable operation of information and computer systems within a secure environment, the Company has established the "Information Cycle Control" and "Information Security Management Procedures." In addition to defending against unknown cyberattacks and malicious software that could paralyze systems, the Company periodically disseminates information regarding common security incidents and recent news to enhance employees' information security awareness.On business days, off-site backups are performed for critical internal data, including the ERP system. We maintain strict control and logs for system access permissions, login activities, and USB storage device usage, with irregular audits conducted. Furthermore, a comprehensive backup of all email correspondence is maintained at all times. The installation of software on computers is strictly managed to prevent the leakage of sensitive corporate information. Antivirus software on individual PCs is automatically updated, and full-system scans are scheduled every Thursday at noon to minimize the risk of virus infections.

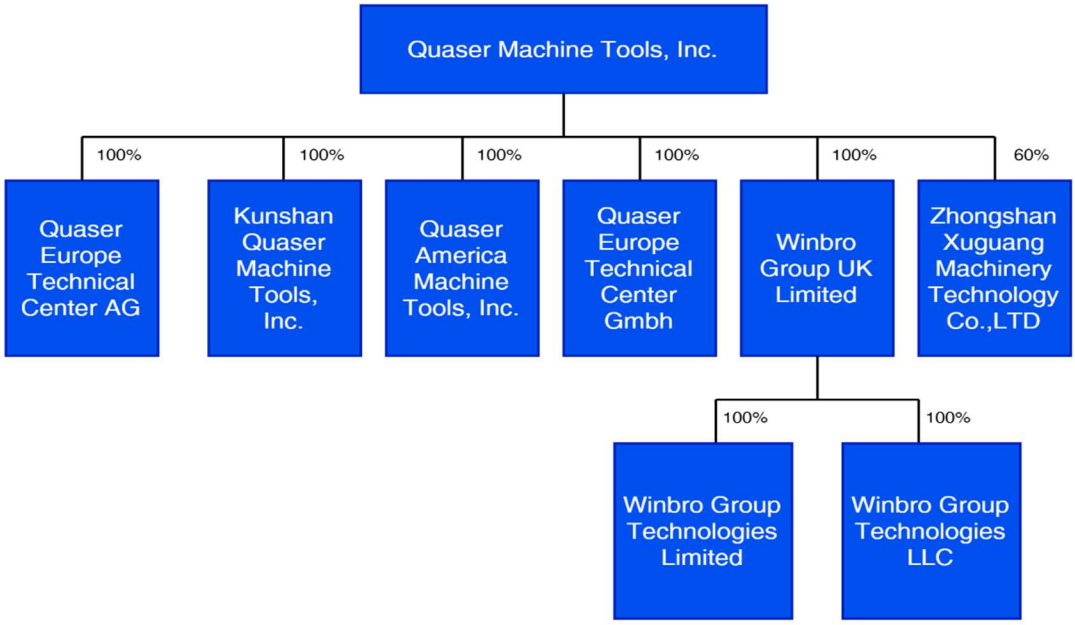
7. **Other Important Matters:** Nil.

VI. Special Notes

1. Information about the Company's Affiliates

(1) Consolidated Affiliate Business Report

1.Organization chart of affiliates (December 31, 2025)



2. Basic data of affiliates

December 31, 2025; Unit: NT$/foreign currency in thousand

Affiliate Name	Date of Establishment	Address	Paid-in Capital	Major Business or Products
Quaser Europe Technical Center AG	October 09, 2008	Unterlettenstrasse 16, 9443 Widnau Switzerland	3,076 (CHF 100)	Trading of machine tools
Kunshan Quaser Machine Tools, Inc.	January 20, 2012	287, Kangzhuang Road, Zhoushi Town, Kunshan City, Jiangsu Province	US$1,500	Trading of machine tools
Quaser America Machine Tools, Inc.	December 06, 2016	3049 Southcross Boulevard, Rock Hill, SC, 29730, UNITED STATES	189,455 (US$6,000)	Trading of machine tools
Quaser Europe Technical Center Gmbh	December 13, 2019	Carl-Zeiss-Str. 22, 42579 Heiligenhaus, Germany	841 (EUR 25)	Trading of machine tools
Winbro Group UK Limited	March 29, 1999	Illuma House, Unit 1, Gelders Hall Road, Shepshed, Leicestershire LE12 9NH, UK	1,804,141 (US$58,980)	International investments
Winbro Group Technologies Limited	April 16, 1992	Illuma House, Unit 1, Gelders Hall Road, Shepshed, Leicestershire LE12 9NH, UK	GBP 90	Manufacturing and processing of aerospace machinery
Winbro Group Technologies LLC	December 10, 2010	3049 Southcross Boulevard, Rock Hill, SC, 29730, UNITED STATES	US$33,576	Manufacturing and processing of aerospace machinery
Zhongshan Xuguang Machinery Technology Co.,LTD	May 23, 2023	No. 3, Taiping North Road, Sanxiang Town, Zhongshan City, Guangdong Province, China	RMB 50,000	Manufacturing and trading of machine tools

3. Information about common shareholders of entities presumed to have a controlling and subordinate relationship: Nil.

4. Industries covered by the operations of the affiliates as a whole:
   (1) Machine tool industry;
   (2) International trade industry;
   (3) Aerospace machinery industry

5. Describe the relationship and work distribution among the affiliates if their businesses are related to each other:

Industry	Affiliate Name	Relationship with affiliated companies' businesses
Trade	Quaser Europe Technical Center AG	Sales and repair of Quaser products
Trade	Kunshan Quaser Machine Tools, Inc.	Sales and repair of Quaser products
Trade	Quaser America Machine Tools, Inc.	Sales and repair of Quaser products
Trade	Quaser Europe Technical Center Gmbh	Sales and repair of Quaser products
Holdings company	Winbro Group UK Limited	Indirect overseas investments
Manufacturing	Winbro Group Technologies Limited	Manufacturing and sales of Winbro's products
Manufacturing	Winbro Group Technologies LLC	Manufacturing and sales of Winbro's products
Manufacturing	Zhongshan Xuguang Machinery Technology Co.,LTD	Manufacturing and sales of Quaser products.

6. Names of Directors, Supervisors and General Managers of the affiliates and their shareholdings or capital contributions to the affiliates.

Unit: Share;%

Affiliate Name	Title	Name or Representative		Shareholding	
				Shares/Contribution	Shares/Contribution %
Quaser Europe Technical Center AG	Person-in-charge	Hsieh, Tien-Hsin	Legal representative of Quaser Machine Tools	1,000 shares	100
Kunshan Quaser Machine Tools, Inc.	CEO and General Manager	Huang, Kuo-Chin	Legal representative of Quaser Machine Tools	CNY 1,280 thousand	100
	Supervisor	Chen, Kuan-Hung	—	—	—
Quaser America Machine Tools, Inc.	Chairman	Hsieh, Tien-Hsin	Legal representative of Quaser Machine Tools	6,000,000 shares	100
Quaser Europe Technical Center Gmbh	Person-in-charge	Shieh, Raui-Mu	Legal representative of Quaser Machine Tools	25,000 shares	100

Winbro Group UK Limited	Person-in-charge	Hsieh, Tien-Hsin	Legal representative of Quaser Machine Tools	27,054,625 shares	100
Winbro Group Technologies Limited	Person-in-charge	Hsieh, Tien-Hsin	Legal representative of Winbro Group UK Limited	9,029,804 shares	100
Winbro Group Technologies LLC	Person-in-charge	Hsieh, Tien-Hsin	Legal representative of Winbro Group UK Limited	USD 33,576 thousand	100
Zhongshan Xuguang Machinery Technology Co.,LTD	Legal Representative	Wang, Tai-Kuang	Legal Representative of Zhongshan Weili Textiles Co., Ltd.	CNY 20,000 thousand	40
	General Manager	Hsieh, Tien-Hsin	Legal Representative of Quaser Machine Tools, Inc.	CNY 30,000 thousand	60
	Director	Liu, Wen-Fu	—	—	—
	Supervisor	Sung, Ching-Hui	—	—	—

7. Overview of the operations of the affiliates:

December 31, 2025; Unit: NT$/Foreign currency in thousands

Affiliate	Capital	Total assets	Total liabilities	Total equity	Operating revenue	Operating income (loss)	Profit (Loss) for the period	Earnings per share (NT$) (after tax)
Quaser Machine Tools, Inc.	549,500	3,571,111	2,169,264	1,401,847	1,246,802	(156,297)	(146,809)	(2.67)
Quaser Europe Technical Center AG	3,076	48,164	23	48,141	-	(107)	103	—
Kunshan Quaser Machine Tools, Inc.	49,238	180,117	136,016	44,101	368,420	6,059	6,493	—
Quaser America Machine Tools, Inc.	189,455	104,495	438	104,057	-	(645)	(650)	—
Quaser Europe Technical Center Gmbh	841	264,959	133,432	131,527	56,234	(53,746)	(70,393)	—
Winbro Group UK Limited	1,804,141	1,777,431	717,500	1,059,931	1,786,946	184,392	111,420	—
Winbro Group Technologies Limited	3,559	819,205	243,253	575,952	677,821	(156,314)	(185,994)	—
Winbro Group Technologies LLC	922,602	862,972	312,110	550,862	1,114,069	340,138	297,392	—
Zhongshan Xuguang Machinery Technology Co.,LTD	215,340	215,912	27,046	188,866	12,031	(22,977)	(23,167)	—

(2) Consolidated Affiliate Business Report

The companies that should be included in the preparation of the Company's consolidated financial statements of affiliates in accordance with the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and the companies that should be included in the preparation of the Company's consolidated parent-subsidiary financial statements in accordance with No. 10 of the International Financial Reporting Standards recognized by the Financial Supervisory Commission for 2025 were the same. Since the information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements of the parent-subsidiary companies, we hereby refrain from preparing separate consolidated financial statements of affiliated companies.

(3) Relations Report: Nil.

2. **Private Securities in the Past Year and as of the Date of Publication of the Annual Report:** Nil.
3. **Other Necessary Supplementary Notes:** Nil.

VII. Matters in the Past Year and as of the Date of Publication of the Annual Report Which Have a Substantial Impact on Owner's Equity as Stipulated in Item 2, Paragraph 3 of Article 36 of the Securities Exchange Law: Nil.

Attachment 1

Quaser Machine Tools, Inc.

Statement on Internal Control

Date: March 10, 2026

The Company hereby releases this Statement concerning the results of self-inspection on the Company's internal control system made in 2025:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability of financial reporting, and compliance with applicable laws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitor. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of December 31, 2025, its internal control system (including its supervision and management of subsidiaries and its overall

implementation of information security), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.

6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

7. This Statement has been passed by the Board of Directors Meeting of the Company held on March 10, 2026, where none of the 9 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Quaser Machine Tools, Inc.

Chairman : Shieh, Raui-Mu

General Manager : Hsieh, Tien-Hsin

Quaser Machine Tools, Inc.

Chairman Shieh, Raui-Mu