IV. Business Overview

1. Business activities

(1) Scope of Business

1. Primary business content, primary products and revenue ratio.

Business unit	Business activities	Products	Revenue Ratio	
			The Company and its merged subsidiaries	
			Amount (NT$ million)	%
Wire and cables	Manufacture and sale of bare copper wire, various electrical wires, cables and related connection materials and accessories, as well as the contracting and execution of high-voltage cable engineering.	Bare copper strips, copper stranded wires, copper cables, power cables, high-voltage connectors and their accessories and telecommunication copper/ optical fiber cables and industry power cables.	47,735	27.4
Stainless steel	Manufacturing and sales of stainless steel and nickel-based alloy products, encompassing steelmaking, casting, remelting, rolling, extrusion, forging, and machining processes.	Billets, slabs, hot-rolled coils, cold-rolled coils, wire rods, hot-rolled bars, cold-finished bars, steel ingot, forged bars, seamless pipes and tubes, pierced billets, steel strands, reinforcing steel, and valve steel, machined shaft semi-finished products, and customized engineering components	90,673	52.0
Resources	Production and sales of stainless steel upstream raw material, nickel pig iron, production and sales of nickel matte (the nickel raw materials for batteries), agency sales of stainless steel semi-finished products, procurement, and procurement and hedging of other metal raw materials required for the Company's production	Nickel pig iron, nickel matte, billets, slabs, and HR coils	31,374	18.0
Other	Commercial and office building leasing, solar energy projects, etc		4,461	2.6

2. New products under development

Business unit	New products under development
Wire and cables	(1) Ultra-high voltage underground cables (2) Data center cable-related products (3) Unmanned vehicle-related cables
Stainless steel	(1) Stainless steel and nickel-based alloys of various types, grades, sizes, conditions and product types. (2) Stainless steel and nickel-based alloys with high intensity, heat resistance, free-machining, soft magnetic property, and value-added. (3) Developing stainless steel and nickel-based alloys for various industrial applications, such as aerospace, oil and gas, nuclear energy, automotive, marine, machinery and equipment, chemical and petrochemical industries, construction, energy, consumer electronics, and medical applications. (4) Stainless steel and nickel-based alloys required for seamless pipe production (5) Development of maraging steel and special alloy steel with high strength-to-weight ratio and high-temperature stability for applications in the aerospace and defense sectors.

(2) Industry overview

1. The current status and development of the industry

(1) Wire and Cable Business

According to the statistical forecast report of the International Copper Study Group (ICSG), global refined copper output in 2025 is projected to increase by 3.4% year-on-year, with primary production (electrolytic refining and electrowinning from ore) increasing by 3% and secondary production (from scrap) growing by 4.5%, bringing the estimated full-year output to 28.32 million metric tons. The PRC continues to expand copper smelting capacity, with refined copper output continuing to grow; the ICSG estimates that refined copper output in the PRC grew approximately 9.4% in the first 11 months of 2025. Global refined copper consumption in 2025, benefiting primarily from growth in the PRC market (3.3%), is estimated to increase by 3% year-on-year to 28.14 million metric tons for the full year, with a projected supply-demand surplus of approximately 180,000 metric tons.

According to the statistical analysis report published by the International Wrought Copper Council (IWCC), the PRC remains the world's largest copper consumer. In 2025, copper rod sales in the PRC reached 10.05 million metric tons, maintaining a growth trend with a year-on-year increase of 1.0%. Taiwan's annual copper rod sales volume turned to decline, with Q1 to Q3 2025 sales decreasing by 3.2% year-on-year, with estimated 2025 sales of approximately 350,000 metric tons.

In the cable market, procurement by enterprises in the power sector constitutes the largest share, with cables primarily used for transmitting electricity from power plants to factories, offices, and residential buildings. In recent years, the industry has benefited from modernization and expansion of power transmission and distribution networks, accelerated grid integration of renewable energy (wind and solar power), data center and power infrastructure construction, and growing demand for electric vehicles and charging facilities, all of which have supported the stable development of the cable industry. According to publicly available data from the Department of Statistics, Ministry of Economic Affairs (MOEA), Taiwan's domestic sales of power cables have shown continuous growth over the past five years.

(2) Stainless Steel Business

According to market research firm SMR, global stainless steel crude steel output in 2025 is estimated at 69 million metric tons, an increase of 1.8% compared to 2024. The PRC is the largest producing region, with stainless steel crude steel output reaching 42.6 million metric tons, a year-on-year increase of 2.4%. Indonesia and India were also key growth drivers, with Indonesia's output at 5.6 million metric tons (up 3.7% year-on-year) and India's output at 5.8 million metric tons (up 9% year-on-year). In terms of product structure, flat products accounted for 85% of total output, of which hot-rolled products accounted for 19% and cold-rolled products for 81%; long products accounted for 15%, of which hot-rolled bars accounted for 41% of long products, wire rod for 33%, and billets for 25%.

About 46% of end-use applications for stainless steel are in consumer durable goods, 26% in industrial production (such as machined parts), 18% in structural components, and 10% in transportation. The top five global long product stainless steel companies by production volume are Tsingshan, Walsin Lihwa, Jiangsu Delong, Viraj, and Swiss Steel (according to SMR's 2025 statistical report).

Stainless steel products face a shift from volume-based competition to rules-based competition in the global market: (1) green trade barriers, with CBAM entering a period of substantive impact; (2) regionalized supply chains and trade protectionism; (3) qualitative transformation of end-use markets; and (4) industry consolidation and polarized competition — compelling steelmakers to make corrective changes across three dimensions: carbon management capability, regional supply flexibility, and advanced industry certification.

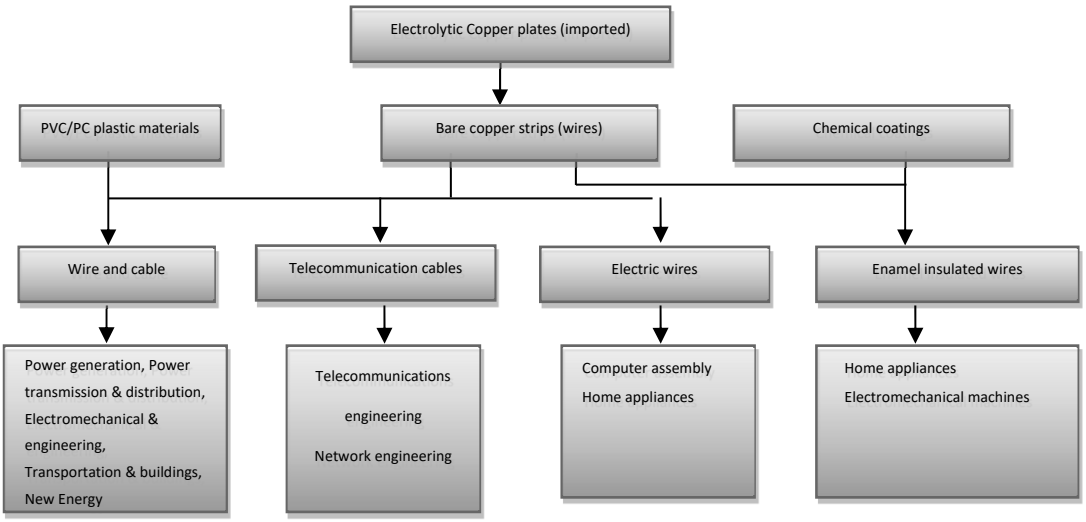
(3) Resources Business

Global nickel pig iron (NPI) production capacity is primarily concentrated in the PRC and Indonesia. Since 2020, with the implementation of Indonesia's ban on nickel ore exports, the NPI industry chain has accelerated its shift from the PRC to Indonesia, making Indonesia the world's largest NPI producer. In 2025, the total high-grade NPI capacity of the PRC and Indonesia reached 3.07 million Ni-tons, with

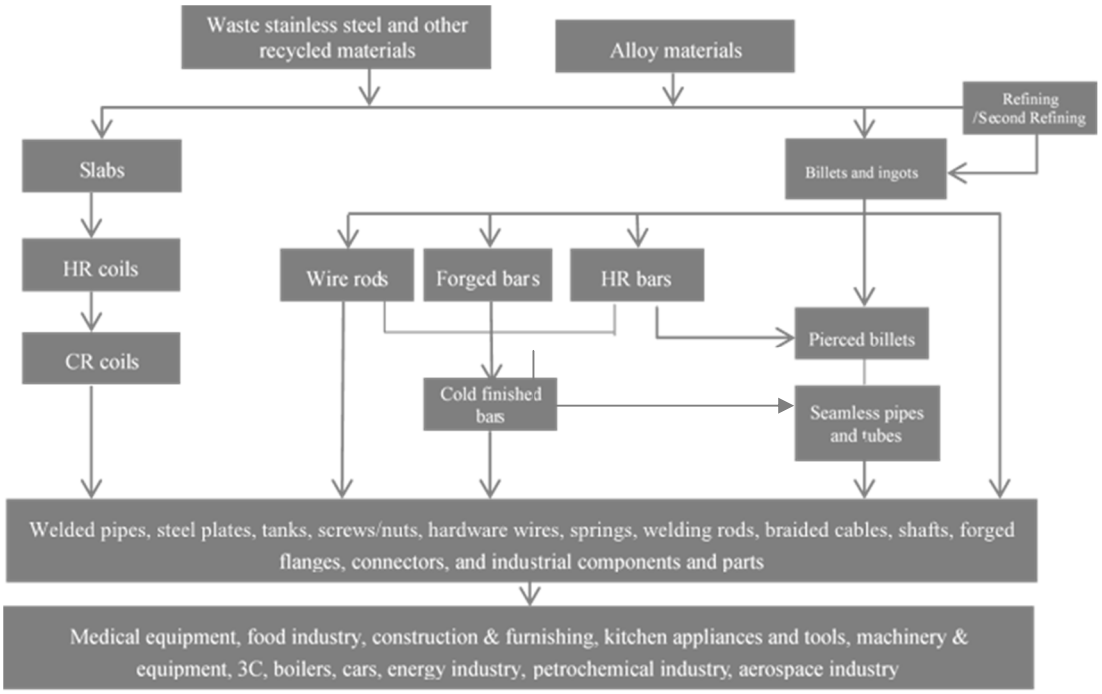
total output reaching 1.91 million Ni-tons — capacity increased by 11% and output by 10% compared to 2024. Of this, PRC high-grade NPI output totaled 210,000 Ni-tons, a decline of 19% year-on-year, as production has become uneconomical, causing overall competitiveness to continue to deteriorate. Indonesian high-grade NPI output was 1.69 million Ni-tons, an increase of 15% year-on-year, primarily driven by the commissioning of additional production lines. PRC NPI output is expected to continue to decline in 2026 due to unfavorable production economics. On the raw material supply side, the approval process for Indonesia's nickel mining Work Plans and Budgets (RKAB) has been changed from triennial to annual review, with expected allocations significantly reduced compared to 2025. Smelting costs will remain elevated; however, as capacity continues to expand, the supply-demand dynamics will face consolidation, and nickel intermediate product prices will remain highly volatile. Furthermore, in response to the green energy transition and the robust growth of the downstream new energy industry chain, substantial capital has flowed into Indonesia since 2020 for the production of battery-grade nickel intermediate products, such as nickel matte and mixed hydroxide precipitate (MHP), with capacity beginning to be released and growing rapidly since 2021. In 2025, Indonesia's MHP output reached 440,000 Ni-tons, an increase of 42% year-on-year, while high-grade nickel matte output was 220,000 Ni-tons, a decrease of 19% year-on-year. Substantial new nickel intermediate product capacity is still planned in Indonesia over the coming years, with additional capacity expected to come online in 2026, albeit at a moderating pace. The overall industry chain is progressively extending downstream, but attention must continue to be paid to the potential impact of the Indonesian government's nickel ore production control policies on intermediate product output. In 2025, under the impact of tariff disruptions and elevated global geopolitical risks, the growth momentum of the global electric vehicle market decelerated. In 2026, given the high policy uncertainty across countries and persistent geopolitical tensions, as well as the PRC facing the tapering of subsidy policies, demand-side growth may continue to slow.

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

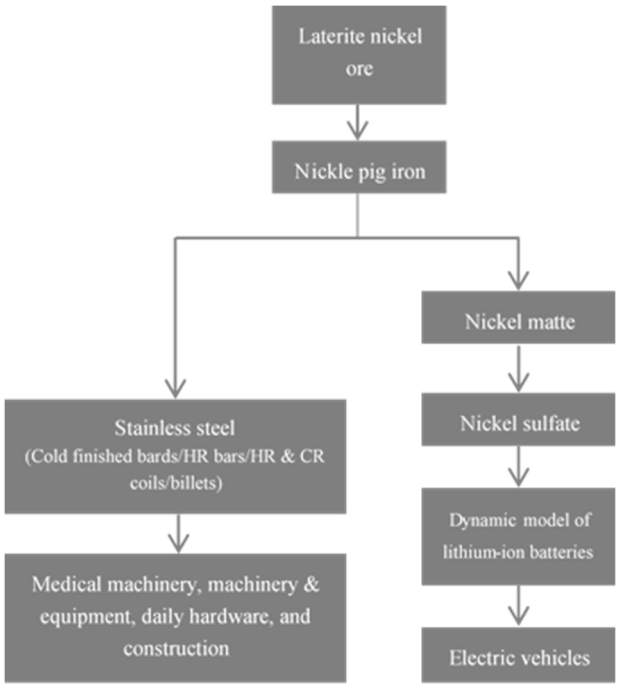
(1) Wire and Cable Business



(2) Stainless Steel Business



(3) Resources Business



3. Product development trends and competition

(1) Wire and Cable Business

Development trend: In addition to traditional building wiring and infrastructure cables, wire and cable products are driven by global energy transition and digitalization trends. The modernization and urbanization of power transmission and distribution networks, accelerated grid integration of new energy sources (wind, solar, and energy storage), growing demand for electric vehicles and charging facilities, and the surge in data center and AI computing infrastructure — these emerging application areas are increasingly becoming the primary engine of cable demand, giving rise to a wide array of related application products. In the new energy sector, these include solar cables resistant to UV degradation, wind turbine cables capable of withstanding harsh environments, submarine cables for transmitting offshore wind power to shore or cross-border power transmission between nations, and cables dedicated to energy storage equipment — all of which are products that major global cable manufacturers are actively pursuing. In the electric vehicle and charging station segment, the electrification of vehicles and intelligent power dispatch have driven demand for gun-type cable assemblies used in energy replenishment systems that feature high heat resistance, flexibility, high voltage capacity, and liquid cooling system compatibility — another new product that cable manufacturers are competing to develop. In addition, the surge in power consumption by AI data center servers has increased demand for power supply cables, including high-performance cable assemblies with stringent heat-resistant and flame-retardant specifications and high current-carrying capacity, as well as high-frequency, high-speed transmission cables, which are expected to become key areas of cable product development.

Competition: From the historical output of Taiwan's power cable market, there is still an oversupply of capacity in the overall cable market and competition is relatively fierce. However, with the expansion of emerging technology applications, increasing industrial electricity demand, the government's acceleration of various energy policies, and the expedited implementation timeline of Taiwan Power Company's resilient power grid plan, new momentum has been added to the industry.

(2) Stainless Steel Business

Development trend: In terms of product development, apart from actively developing nickel-free steel grades, major stainless steel makers are also developing functional stainless steel for specific applications. For example, in response to the demand for automation and AI, the demand for wear-resistant, high-precision and zero-defect materials has increased. In the past, key technologies were held in Japan, Europe and other countries, but Asian steel makers have also continued to invest in research and development in recent years, and to refine their own technological capabilities. With the rising awareness of environmental protection, stainless steel is more widely used in various fields, and there are many cases of replacing carbon steel with stainless steel in the construction, transportation and other industries. In the renewable energy industry, stainless steel components can also be found in solar panels, wind turbines and renewable energy vehicles.

Competition: Indonesian steel mills will dominate the Asian market with the advantage of low-cost raw materials. With the promotion of capability control policy in Mainland China, the steel industry has shifted from volume to value-added, and large-scale steel makers have started to consolidate with the strategy of eliminating the weak and leaving the strong. The rest of the steel makers in Europe, America, Japan, and Korea have focused on niche industrial applications, such as those in the aerospace, energy, chemical engineering, and defense industries, with high certification thresholds to add value to their products through end-use differentiation, specializing in the development of specialty steel applications. In addition, in response to the trend towards net-zero carbon emissions, major European steel makers have begun to focus on providing products with low carbon emissions or more sustainable significance.

(3) Resources Business

Development trend: Stainless steel mills in both the PRC and Indonesia continue to expand capacity, and demand for NPI and scrap steel will continue to rise. Indonesian NPI has a cost advantage that makes it economically favorable for downstream steel mills. Although there are

still some new production lines to be built in the coming years, the pace of expansion may moderate. Additionally, in response to the continued growth of the new energy industry chain, some RKEF production lines have been modified to enable flexible switching between NPI and nickel matte production, giving rise to the trend of the "nickel matte–nickel sulfate–pure nickel" processing route. The enhanced product structure flexibility and price differentials among different nickel products will diversify sales options, and the overall nickel market supply-demand may achieve dynamic equilibrium.

Competition: Indonesian RKEF production lines expanded rapidly starting in 2021, and after three years of high-speed growth, the pace has moderated. As of 2025, Indonesia has exceeded 300 RKEF production lines. Going forward, due to the Indonesian government's controls on nickel ore supply and restrictions on pyrometallurgical projects, existing production lines are expected to see a slowdown in capacity growth, gradual reduction, and product conversion, with higher-cost and underperforming lines progressively exiting the market. Some RKEF lines leverage process flexibility to enable their output to switch between NPI and nickel matte, effectively enhancing competitive advantages. As capacity exceeds the combined demand from stainless steel smelting and the new energy industry chain, and as the business model gradually shifts toward product structure optimization and channel integration, industry concentration will progressively increase, making the overall supply chain more robust.

(3) Overview of Technology and R&D

1. R&D Expenses and Results

R&D Expenses	From January 1, 2025 to March 23, 2026, the R&D expenses were around NT$500 million.

(A) Technology Research & Development

(1) EV rapid charging liquid cooling system and cable assembly prototype development completed.
(2) Recycled production waste combined with formula design to complete low-carbon-footprint recycled cable spool development.
(3) Completed development of high-current, highly flexible cables for data center applications.
(4) Expand the development of the material types, sizes, conditions and product types of stainless steel and nickel-based alloys.
(5) Innovative research and development of functional stainless steel with high strength, high heat resistance, and easy turning characteristics to increase added value.
(6) Continue to invest in the development of stainless steel for automotive components, aiming at energy conservation, environmental protection and high efficiency to meet market demand.
(7) Deepen research on stainless steel for welding, and increase the service life of materials in harsh environments such as high temperature resistance, corrosion resistance and high temperature resistance.
(8) Cooperate with domestic universities and research institutions to jointly promote various industry-university cooperation and outsourcing research projects, and expand the depth and breadth of process technology through the combination of theoretical knowledge and practical experience, thereby increasing the capacity of research and development.
(9) Laboratory equipment for aerospace materials applications.
(10) Special quality inspection techniques.
(11) Automated sample processing technology.
(12) High-strength low-alloy steel (HSLA Steel) for applications in the aerospace and defense sectors.

(B) Intelligent Manufacturing

(1) Introduction of Digital Twin technology, enabling rapid replication and optimization of plant operations.
(2) Smart Power Consumption:
Collect and analyze equipment power consumption data, improve the accuracy of power consumption estimation, and reduce wasted power consumption.
(3) Development of Intelligent Crane Automatic Storage System:
New intelligent cranes are adopted to establish an automatic transportation and storage system for steel billets, which improves the space utilization rate, assists in optimizing the inventory management of incoming materials

in the factories, automatically dispatches shipments and loads materials without interruption, improves production efficiency, avoids human operations, and improves work safety.

(4) Establishment of Automated Guided Vehicles (AGV) System:
A composite automated guided system is adopted to overcome the outdoor climate, realize outdoor unmanned automatic cross-factory transportation, improve transportation efficiency, and reduce forklift operations and operating manpower.

(5) Development of artificial intelligence (AI) tools for quality control of steel and superalloy products, enhancing process stability and quality consistency.

(6) Development of Digital Twin Forging technology, with provision of computer-aided engineering (CAE) technical support.

(C) Energy and Environmental Protection

(1) Replacing Traditional Preheaters:
Replace traditional preheaters with pure oxygen preheaters to reduce fuel consumption, improve combustion efficiency, and reduce greenhouse gas emissions.

(2) Slag Recycling:
The by-product slag produced by the steelmaking electric furnace can be converted into a variety of high-value recycled products after classification and screening, such as low-carbon concrete, red bricks as building materials, and pervious asphalt.

(3) Development of an advanced system based on non-contact optical technology and artificial intelligence (AI) for automatic detection of oil or lubricant leakage in process water.

(4) Rolling mill process water treatment system.

(5) Quenching tower noise reduction engineering.

(6) Green hydrogen application project.

(7) Construction of a new centerless grinding waste processing facility.

(8) Rotary kiln system — substitution of coke oven gas for coal combustion:
Reducing greenhouse gas emissions during the production process.

2. Present and future R&D projects, as well as the estimated R&D investment expenditure

Plan for the most recent year	Current progress	Mass production completion time	Main reasons that future development will succeed
Projected R&D expenditure of approximately NT$245 million.			
New energy vehicle cables and energy replenishment system cable assemblies	Liquid cooling charging gun cable assembly and cooling system design development completed; undergoing long-term reliability testing with charging stations.	2026	(1) The only domestic manufacturer with complete dynamic cable development and testing capabilities. (2) Obtained CCS1/CCS2 full-series gun cable assembly VPC/UL/IEC certifications and commenced shipment. (3) Possesses independent material development and verification capabilities.
Data center cable assembly application development	Certified high-current PDU cables for use in AI data center cable assembly.	2026	(1) Extensive experience in high-current cable production. (2) Possesses high-current cable assembly insertion/extraction force testing and hi-pot testing capabilities.
Nuclear island area cable development	Radiation-resistant cable insulation and sheathing material (K1) for nuclear island area under development.	2027	(1) Possesses independent material development and product verification capabilities. (2) Cooperating with national-level verification institutions for material nuclear radiation resistance verification. (3) Long-term close cooperation with domestic and international universities

Plan for the most recent year	Current progress	Mass production completion time	Main reasons that future development will succeed
			to obtain key material development technologies.
Glass-seal alloy (high-chromium steel) development	Batch production.	2024–2025	Alloy element composition design; hot rolling and heat treatment parameter setting.
High-carbon stainless steel in-house smelting development	Trial production stage.	2024–2025	Alloy element composition design; hot rolling and heat treatment parameter setting.
Soft-magnetic stainless steel development	Batch production.	2024–2025	Alloy element composition design; hot rolling and heat treatment parameter setting.
Iron-based and nickel-based alloy development	Trial production stage.	2025–2026	Alloy element composition design; hot rolling and heat treatment parameter setting.
Stainless steel and nickel-based alloy vacuum melting and remelting technology development	Trial production stage.	2025	Alloy element composition design; remelting, hot rolling and heat treatment parameter setting.
Easy-to-machine stainless steel seamless pipe development	Trial production stage.	2025	Alloy element composition design; hot rolling and heat treatment parameter setting.
Low-alloy steel development	Trial production stage.	2025–2026	Alloy element composition design; hot rolling and heat treatment parameter setting.
Environmental monitoring project	Prototype equipment under construction.	2025–2027	Implementation combining artificial intelligence (AI) and edge computing with non-contact multispectral technology.
Green hydrogen production	In progress.	2026	Independent green hydrogen production.
High-strength low-alloy steel (HSLA) development	Feasibility study and trial production stage.	2025–2027	Alloy design; thermal deformation process and heat treatment design.
Forging digital twin development	Feasibility study.	2026	Introduction of digital tools to lead SMP superalloy hot forging process development; CAS will support this project with existing open-die forging press capabilities.
Environmental protection	In progress.	2026–2027	Quenching tower noise reduction engineering.

(4) Business Plan – Long-term and Short-term

1. Wire and Cable Business

Short-Term: In response to building end-customer demands, we are emerging as a distinctive force in the digital and intelligent transformation landscape. By employing rapid response capabilities and precise service delivery, we accelerate deep supply chain integration, establishing a market position characterized by operational efficiency and creating a win-win-win situation for all stakeholders involved. We also aim to change our operating models and optimize our customer experience, in order to promote sustainable management. We also aim to respond to the government's policy for the supply of core components for offshore wind power plants, with the goal of exclusively researching and manufacturing cables for offshore wind turbines for 14 MW capacity or above in Taiwan, as well as developing the ability to produce and manufacture submarine cables. Following the global trend of popularizing electric vehicles and speeding up the construction of supporting infrastructure, we are developing wire harnesses for new energy vehicles and power replenishment systems that meet global standards.

Long-Term: We will seize the business opportunities brought by the global smart grid and new energy and AI industries by marching into power transmission markets both home and abroad and expanding our business scope of Energy Solution.

2. Stainless Steel Business

Short-Term: Taiwan: In response to the trend of small amount but diversified products in the high-value market, Walsin has adjusted its direction and gradually built up its product and service capabilities to meet the needs of different customer segments. At the end of 2025, the Company officially launched the new cold-finished bar brand "Steeval™," focusing on stable production and high-quality cold-finished bars, combining R&D innovation, on-time delivery, and agile service, striving to become the best partner in stainless steel precision manufacturing. For the wire rod, we will actively expand niche steel sales portfolio in line with market conditions to expand the volume of orders of favorable steel grades, while continuing the research and development and the capital expenditure to increase the application of new steel types and new industries and stabilize product quality. For plate products, we will use digital analysis to assist in material preparation and production scheduling, so that the delivery time can be close to customer expectations. We will also implement the e-companion system to satisfy our customers' demand for monitoring orders and to enhance our customer retention.

Mainland China: The intelligent hot-rolled bar/wire rod production line has achieved stable production. Through advanced manufacturing processes and intelligent production, it supplies high-precision, high-quality stainless steel products, effectively achieving import substitution, increasing market share, and achieving full production and full sales. We will continue to develop high-value steel grades for hot rolled bars and seamless steel pipes in the hope of increasing value added to our products. Cold-finished bars are penetrating the AI server liquid cooling system, new energy vehicle, and automation equipment industries, with simultaneous expansion of precision cold-finished bar production capacity. The Company continues to promote a collaborative service model among marketing, technical, and sales functions, increasing direct customer orders and completing the integration of the materials application supply chain for closer upstream-downstream cooperation.

Europe: Our Italian subsidiary, Cogne Acciai Speciali (CAS), has advanced its growth strategy based on upstream and downstream vertical integration through the acquisition of Com.Steel Inox (an Italian company active in stainless steel and nickel alloy scrap recycling and processing) and Mannesmann Stainless Tubes (MST), a company with historical prominence in the seamless stainless steel and nickel alloy tube market.

Following the acquisition, MST has restored its historical name "DMV" to reinforce its consistently upheld values of professionalism, excellence, and entrepreneurial spirit. DMV operates five production facilities across Germany, France, Italy, and the United States. CAS will supply the majority of raw materials for DMV's extrusion machines in France and Germany, sourcing these materials from its steel plant in Italy and its Swedish subsidiary (Degerfors Long Products). This acquisition is expected to enhance CAS's steel production capacity utilization and expand Walsin's market share in high-end industries such as aerospace, oil and gas, and energy.

Long-term: Taiwan: We will grasp upstream raw materials to enhance the competitiveness of Walsin's stainless steel products. For bar materials, in addition to maintaining the major customers with high demand, the Company will actively develop new customer bases and expand suitable markets for export. For cold finished bars, in addition to continuing to strengthen the advantages in our integrated production lines, we will increase the quality and output of deep-processed products. For wire rods, the long-term goal is to increase the proportion of niche steel grades in our sales mix. In terms of operations, we are strengthening our competitiveness by accelerating internal process improvement and Industry 4.0 automation projects.

Mainland China: We will focus on certification application markets, such as transportation, petrochemical, boiler, nuclear power, and food, as key development industries, in cooperation with China's nationalization policy and industry development potentials. We will also expand our technical service capacity and market management, hoping to enhance the added value of our products and brands. We will set up distribution centers in major markets to enhance our market penetration in each region through rapid logistics and distribution.

Europe: By establishing a vertically integrated supply chain in Europe with a diverse product portfolio, the Company aims to achieve cost excellence in high-quality stainless steel and nickel alloy products while increasing market share in niche markets and application sectors. Furthermore, the Company is committed to fostering sustainable growth in the European region through operational circularity, reduced dependence on ferro-alloys, and significant investments focused on decarbonization.

3. Resources Business

Short-term: PT. Walsin Nickel Industrial Indonesia's nickel pig iron production lines were fully commissioned. We will continue to ensure that those production lies have stable capacity utilization rates and are fully in operation for production, in order to strengthen the stability of upstream raw materials for stainless steel and enhance our competitiveness. In addition, the nickel matte production lines acquired from PT. Sunny Metal Industry in the second half of 2022 were commissioned for trial production at the end of the same year. In the first quarter of 2023, the company commenced full production operations, and in January 2024, we increased our shareholding in PT. Sunny Metal Industry to 79.6%. We have entered the battery nickel supply chain through the nickel matte production line, thereby opening opportunities in the power battery materials market and initiating expansions for new energy. In addition to stabilizing capacity utilization and market deployment, the Company has also obtained ISO 14001, ISO 14064, ISO 14067, and ISO 45001 certifications, and during the course of carbon and energy management audits, has further reviewed and optimized resource utilization efficiency.

Regarding our agency services, considering the uncertainty of competing global markets and international political and economic conditions, we continue to negotiate with Indonesian suppliers in order to source competitive raw materials in terms of costs, stable supply, and accurate delivery, to meet the needs of our customers and to strengthen the cooperative relationship between the Taiwanese industry and upstream suppliers, thereby enhancing the competitiveness of Taiwan stainless steel players in the international markets and further increasing the volume of orders received by our agency services. Additionally, with the Indonesian subsidiary's production lines entering mass production in 2023, the focus is not only on securing raw materials for stainless steel production but also on extending to the new energy industry supply chain, with NPI and high-grade nickel matte product lines having already achieved stable development.

Long-term: In response to climate change and sustainability trends, we continuously monitor environmental policy developments and industry movements. Our primary strategic development directions include positioning within the energy storage industry chain, carbon inventory certification, and developing green carbon reduction projects in accordance with local policies. Regarding our energy storage industry chain positioning, we continue to advance the production and manufacturing of nickel resource products, further extending into the enhancement of power battery material production facilities and market development. In terms of carbon inventory certification, in addition to the aforementioned ISO certifications already obtained, the Company is also studying the acquisition of other relevant ISO certifications to plan and implement subsidiary carbon management. At the same time, the Company ensures effective resource utilization and actively aligns with international and local environmental policy trends, strategically developing and implementing green carbon reduction projects to create a win-win outcome for both economic and environmental objectives.

Regarding our agency service, we will leverage our agency advantage to ensure stable supplies for the demand in the Taiwan stainless steel market, provide a stable source of materials with competitive costs, avoid the risk of price fluctuations and reduce the pressure on inventory capital (i.e., value-added services) to promote the overall effectiveness of the value chain of the stainless steel industry in Taiwan, and strive to achieve the long-term goal of simultaneous growth in the volume of orders received by the agency and the price of the stainless steel industry in Taiwan. Furthermore, in addition to stabilizing NPI and nickel matte sales channels, the Company is diversifying its product range, flexibly adjusting the proportion of nickel product orders based on market conditions, and pursuing development in higher value-added markets.

2. Market Analysis and Sales Overview

(1) Market Analysis

1. Sales region(s) and market share of main products

(1) Wire and Cable Business

The Company is focused on the development of the wire and cable business and offers a one-stop comprehensive production series from the upstream bare copper wire, copper rod production, to the research and production of all types of cables such as power cables, communication copper cables, fiber optic cables, industry cables, and submarine cables. The main sales regions include Taiwan and Mainland China. In 2025, the sales of the Company's power cable products was approximately NT$29.6 billion, and that of bare copper wise was about NT$18.1 billion. The Company continues to maintain leadership in Taiwan's power cable and copper bar markets.

(2) Stainless Steel Business

The Company is a major global stainless steel material company, with stainless steel products such as stainless steel billet, cold- and hot-rolled steel coils, wire rods, cold finished bars, seamless steel pipe and precision roll bonding steel. The main sales regions include Taiwan, Mainland China, Japan, Korea, Southeast Asia, Australia, Europe and North and South America, etc. Our stainless steel wire rod and cold finished bars occupy a significant position on the global market and we offer customers optimal lead times and services with sales offices distributed across the Taiwan Strait, a vertically integrated supply chain and a standardized production process.

In 2025, the Company's stainless steel product market share in Taiwan was: wire rod 74%, hot-rolled coils 24%, cold-rolled coils 20%, and cold-finished bars 32%. In the PRC: wire rod 3%, hot-rolled bars 8%, and cold-finished bars 19%. In Europe: wire rod 20% and cold-finished bars 9%. Global market share was approximately: wire rod 9%, hot-rolled coils 7%, cold-rolled coils 8%, and cold-finished bars 11%.

Note: The above market shares are estimated only in respect of the territories to which we sell products and our available specifications.

(3) Resources Business

NPI produced by Walsin Nickel is an upstream raw material for stainless steel manufacturing, primarily supplied to local Indonesian steel mills for stainless steel smelting. In 2025, NPI sales volume was 33,000 Ni-tons (approximately 290,000 gross tons), with full production fully sold. In addition to producing nickel matte for use by downstream battery raw material processors, Sunny also adjusts its production lines to produce NPI as market conditions warrant. In 2025, nickel matte sales volume was 17,000 Ni-tons (approximately 89,000 gross tons, of which low-grade nickel matte accounted for 79,000 gross tons and high-grade nickel matte for 10,000 gross tons), and NPI sales volume was 34,000 Ni-tons (approximately 260,000 gross tons), with full production fully sold. In 2025, the Company's NPI production accounted for approximately 4% of Indonesia's total production, and nickel matte production for approximately 6.8%.

For agency services, the Company began acting as sales agent for Indonesia's Tsingshan in May 2020, with agency products primarily including stainless steel billets, flat billets, and hot-rolled coils, among other stainless steel products. The principal sales targets are Taiwan customers, with the objective of maintaining the international competitiveness of Taiwan's stainless steel flat products and promoting the overall efficiency of the stainless steel industry value chain. From 2021 to 2025, the Company's annual order volume has consistently been in the range of 800,000 to 1 million metric tons, stably accounting for over 80% of Taiwan's 300-series hot-rolled stainless steel imports.

2. Overview of supply and demand and projected growth

(1) Wire and Cable Business

According to the ICSG's forecast for global copper production, global copper mine supply is projected to grow by approximately 2.3% in 2026. For refined copper output, 2026 output is estimated to increase by 0.9%. In terms of refined copper consumption, globally, copper consumption is expected to continue to be supported by improved production activity in several key copper end-use industries, energy transition, urbanization, data centers, and continuing demand arising from new semiconductor capacity in several countries, with refined copper consumption projected to grow by 2.1%. Furthermore, power grid infrastructure development in major countries, along with the global trends of clean energy, electric vehicles, and AI development, are expected to continue supporting long-term growth in copper demand.

China’s demand for copper is undergoing a transition from a “real estate-driven” model to one driven by “new energy, power grid, and AI.” The growth rate of new sources of demand now exceeds that of traditional sources, and China’s overall copper demand continues to expand. It is anticipated that this growth will be sustained through 2026, allowing China to maintain its status as the world’s largest copper market. The PRC is accelerating the implementation of ultra-high voltage projects, large-scale integration of new energy sources (including wind and solar), reinforcement of distribution grids, and the development of new-type power systems, all of which are supported by robust investment in power supply and grid engineering. The State Grid Corporation of China has indicated that, during the 15th Five-Year Plan period (2026 to 2030), its fixed asset investment is expected to reach RMB 4 trillion (approximately NT$18 trillion), representing a 40% increase over the 14th Five-Year Plan period. This investment will primarily be allocated to the construction of new-type power systems, consolidation of

the “West-to-East Power Transmission, North-to-South Power Supply” energy transmission network, acceleration of ultra-high voltage direct current (UHVDC) transmission corridors, promotion of cross-regional and cross-provincial transmission capacity, and enhancement of the digital capabilities of the power grid. This investment plan is expected to generate opportunities for power equipment manufacturers and constitute positive factors for the revenue growth of grid-related enterprises over the next five years, thereby enabling cable-related products to achieve steady progress in both production and sales.

The Ministry of Economic Affairs (MOEA) published the “2024 National Power Resource Supply and Demand Report” in September 2025, setting forth the power demand assessment and power source development plan for the forthcoming decade (2025 to 2034). Taking into consideration the impacts of AI technology development, expansion of semiconductor industry facilities, implementation of reciprocal tariffs by the US, and the advancement of deep energy conservation initiatives, the projected average annual growth rate of power demand is approximately 1.7%. This figure exceeds the average annual growth rate of 1.23% recorded over the preceding decade (2015 to 2024), and is comparable to those of neighboring industrial competitors, namely Japan (0.6%) and South Korea (1.8%). Based on prevailing economic conditions and power demand driven by emerging technological developments, the estimated average annual growth rate of nighttime peak load from 2025 to 2034 is approximately 2.1%. Pursuant to energy transition and net-zero emission policies, new gas-fired generating units and renewable energy sources will continue to be added to the power grid, thereby reducing air pollution emissions while ensuring a stable power supply. Over the 2025–2034 power supply planning period, the net increase in capacity from new gas-fired units is expected to exceed the capacity retired from decommissioned older units (including coal-fired, oil-fired, and gas-fired units), with an estimated cumulative net increase of approximately 12,222 MW. According to Fitch, Taipower’s capital expenditures are projected to expand significantly: from 2025 to 2028, Taipower’s annual capital expenditures are expected to reach NT$260 billion to NT$333 billion, substantially higher than the four-year average of NT$164.7 billion. Key areas of expenditure for Taipower include the construction of natural gas and offshore wind power plants, as well as the reinforcement of grid resilience, all of which are anticipated to increase the backlog and revenue of related operators, with the wire and cable industry being among the primary beneficiaries. Given the concurrent demand generated by multiple government programs, the outlook for cable order visibility remains favorable.

(2) Stainless Steel Business

On the supply side, the PRC, Indonesia, and India account for over 85% of global stainless steel crude steel, with capacity concentrated and continuing to grow, resulting in severe oversupply of general-purpose stainless steel. In this context, the future supply chain will polarize between two extremes: a low-cost core and a high-technology core. The low-cost core is centered on the PRC, Indonesia, and India as the primary supply hubs, while the high-technology core is centered on European, American, Taiwanese, Japanese, and Korean steelmakers.

On the demand side, stainless steel demand will continue to post positive growth, but traditional demand drivers are weakening — real estate and related construction, and traditional kitchenware are entering a plateau phase. Replacement demand drivers are coming from: energy transition (hydrogen storage tanks, fuel cell bipolar plates, offshore wind fasteners); digital infrastructure (AI server cooling systems, semiconductor clean piping); and the circular economy (low-emission stainless steel and stainless steel scrap recycling).

(3) Resources Business

In 2025, the global NPI market shifted from rapid expansion toward structural adjustment. Indonesian NPI output increased by approximately 15% year-on-year compared to 2024, primarily influenced by nickel ore supply policies and partial conversion of production lines to nickel matte and nickel intermediate product processes; however, growth moderated compared to prior years. PRC NPI output continued to decline by 19%, attributable to increased production costs, environmental and energy policy restrictions, and import-related policies. Although new NPI capacity additions in Indonesia are limited and government policies restrict RKEF capacity deployment, Indonesian nickel products remain in a state of oversupply. However, NPI retains its cost and nickel content advantages, and demand for stainless steel production remains resilient. Meanwhile, scrap steel price fluctuations and nickel metal price trends are core factors affecting NPI's economic viability. Overall, NPI's cost advantage over scrap steel will continue to support its dominant position as a stainless steel smelting feedstock, although the market may face increased uncertainty due to raw material oversupply. In response to the green

energy transition and the growth of the downstream new energy industry chain, battery-grade nickel intermediate products such as nickel matte and MHP have seen rapid capacity growth since 2021. In 2025, combined Indonesian MHP and high-grade nickel matte output was approximately 660,000 Ni-tons, a year-on-year increase of 13.8%. Additional capacity is expected to continue to come online in Indonesia, with the overall industry chain progressively extending downstream and adjusting toward dynamic equilibrium; however, overall nickel intermediate product output will continue to be affected by the Indonesian government's nickel ore production control policies.

For agency services, the supply chain returned to normal starting in 2022. In 2023, total Taiwan 300-series hot-rolled stainless steel imports were approximately 900,000 to 950,000 metric tons, comparable to the preceding period — this volume represents Taiwan's rigid market demand. In 2024, the EU's final anti-dumping and anti-subsidy rulings favorable to Taiwan operators stimulated inventory stocking demand, with the annual order volume exceeding 1 million metric tons. In 2025, Taiwan's imports of Indonesian stainless steel returned to the normal range of 800,000 to 1 million metric tons.

3. Competitive niche, favorable and unfavorable factors for long-term growth and response measures

Wire and Cable Business	
Competitive Niche	(1) We have the advantage of stable internal supply of important raw materials of copper metal and can give full play to the benefits from the upstream and downstream integration. (2) Long-term supply of products and services related to demand for project engineering, accumulating rich supplier experience and having brand advantages. (3) Advantages such as local supply and branding will help to enter the industrial cable field such as solar energy, offshore wind power and port infrastructure.
Favorable Factors	(1) The performance of quality, service and delivery is highly satisfactory to customers and we have brand power in the Taiwanese engineering market. (2) The high-voltage cable demand in the public sector may grow steadily, driven by Taipower's construction initiative to reinforce the resilience of its power grids. (3) Taiwan's economy remains robust, with growing domestic and international tech industry demand driving steady needs for wiring in industrial facilities, office buildings, and residential developments.
Unfavorable Factors	(1) Real estate is affected by high material costs, labor shortages, and other factors; the construction industry remains in a “high cost structure.” Government policies continue to tighten, maintaining a direction of “restraining investment while supporting first-time homebuyers,” resulting in a market pattern of “volume contraction with price consolidation” that is unlikely to recover quickly. (2) The private market is in a state of oversupply with price competition. (3) Copper prices remain at historically high levels, creating cost, pricing, and inventory funding pressures, thereby increasing operational risk.
Response Measures	(1) Study the changes in technology applications and the essence of service; provide innovative services; through high-level intelligentization and digitalization, establish a mutually beneficial supply chain management system; consolidate core capabilities, strengthen operational mechanisms, enhance efficiency and service capacity, and create differentiated advantages. (2) In line with the government’s net-zero carbon emission policy, adopt a technology-oriented approach to develop industrial cables, driving the Company’s marketing and R&D capabilities, and deeply cultivate infrastructure opportunities in renewable energy, new energy vehicles, and grid renewal and expansion. (3) Utilize information tools to swiftly track copper price fluctuations in response to customer quotations; lock in copper prices upon receipt of orders; shorten product delivery through smart manufacturing and reduce inventory; and negotiate long-term contracts with customers and suppliers to stabilize supply and demand, turning copper price risk into a manageable item.

Stainess Steel Business	
Competitive Niche	(1) We have production sites in Taiwan, China, Italy, the UK, and Sweden for the long strips, with a stable quality and delivery period, so that we can supply to each market nearby and support each other for any shortage of products. (2) The rebranded “Steeval™” is entering the precision manufacturing supply chains for AI, robotics, and new energy industries. (3) Flat products have delivery advantages and can therefore fulfill customized orders, and local supply provides more stable quality and technical services. (4) Investment in upstream raw materials with construction of a nickel iron plant in Indonesia enhances international competitiveness of stainless steel and increases hedging capacity on the raw material side. (5) Possesses key process technology advantages in vacuum melting and remelting, actively expanding into high-end application markets and steadily increasing market share.
Favorable Factors	(1) Taiwan's cold-rolled steel coils are protected by anti-dumping duties. (2) China's policies have restricted the expansion of crude steel capacity. (3) Trade wars, regional economies, and geopolitics have led to de-globalization/short supply chains, so the industry is paying attention to local supply sources. (4) PRC intelligent hot-rolling line provides high-quality products, achieving import substitution. (5) The growth potential in high-end markets such as aerospace, oil and gas, and new energy.
Unfavorable Factors	(1) China-based steel manufacturers have set up integrated production lines from nickel raw materials to products in China and Indonesia, significantly cutting production costs and reducing the general supplies market to pure price competition. (2) Global trade protectionism, with frequent anti-dumping cases and special tariffs; expanded exports of PRC/Indonesian steel products affect global steel circulation, compressing the Company’s export volume. (3) Growing environmental awareness; waste disposal costs increase operating expenses for the steel industry and compress profit margins. (4) Uncertain Indonesian nickel ore policies; raw material price volatility compresses profit margins.
Response Measures	(1) In addition to continuing to strengthen the advantages in our integrated production lines, we will gradually develop product specifications and high value-added steel grades, as well as actively expand the sales volume of niche steel and increase the quality of processed products. (2) Maintaining major customers, actively developing new customer bases and expanding suitable markets for export (3) Continuing to improve internal processes and carrying out industrial 4.0 automation projects to improve the efficiency and reducing costs. (4) Increasing technical investment in high-end industries such as aerospace, automotive, chemical engineering, and energy, raising the proportion of precision alloy products. (5) Transforming core values, upgrading from materials manufacturing to co-research and co-creation with customers, becoming a partner providing technology and solutions. (6) Focusing on ESG sustainable development, actively investing in energy-saving, environmental protection equipment, and expansion into green power, enhancing environmental cost competitiveness. Additionally, actively monitoring the work environment to ensure employee safety and health.

Resources Business	
Competitive Niche	(1) Nickel pig iron and nickel matte production line are located in Indonesia, which is a major producer of nickel ore in the world and has advantages in raw material prices and production costs. (2) The production lines are equipped with its own power plant, which can supply electricity for full production without any issue.
Favorable Factors	(1) With Mainland China's continued shrinking in the nickel pig iron production due to unfavorable production costs, Indonesia nickel pig iron is expected to make up for the possible production reduction gap in Mainland China. China's abolition of export tax has increased the cost of exports, and our agency service has a cost advantage over the steel coils produced by Tsingshan Indonesia. (2) The Indonesian government continues to ban nickel ore exports and restrict fire metallurgy license issuance; in addition to local raw material sourcing cost advantages, barriers to entry for subsequent competitors are elevated. (3) Production lines have the flexibility to switch between NPI and nickel matte production, enabling response to growing demand for battery-grade nickel intermediate products driven by the new energy industry chain.
Unfavorable Factors	(1) As environmental awareness is increasing, carbon reduction has become a common issue worldwide. Governments and economies around the world continue to adopt policies to strengthen environmental controls and carbon reduction efforts. We expect that related taxes, charges and other expenses will be unavoidable. (2) Indonesian government policies, such as adjustments to laterite nickel ore supply and export regulations, will affect nickel pig iron production, further contributing to market uncertainty.
Response Measures	(1) In addition to stabilizing capacity utilization and refining production plans, the Company has initiated a comprehensive plant-wide carbon emission inventory and source classification, discussing carbon reduction measures, and preparing for the assessment and execution of carbon reduction benefits in advance. (2) To mitigate issues related to Indonesian nickel ore supply, the Company has adjusted its procurement strategy by diversifying some procurement to Southeast Asian nickel ore. We will continue to monitor the Indonesian domestic nickel ore market closely.

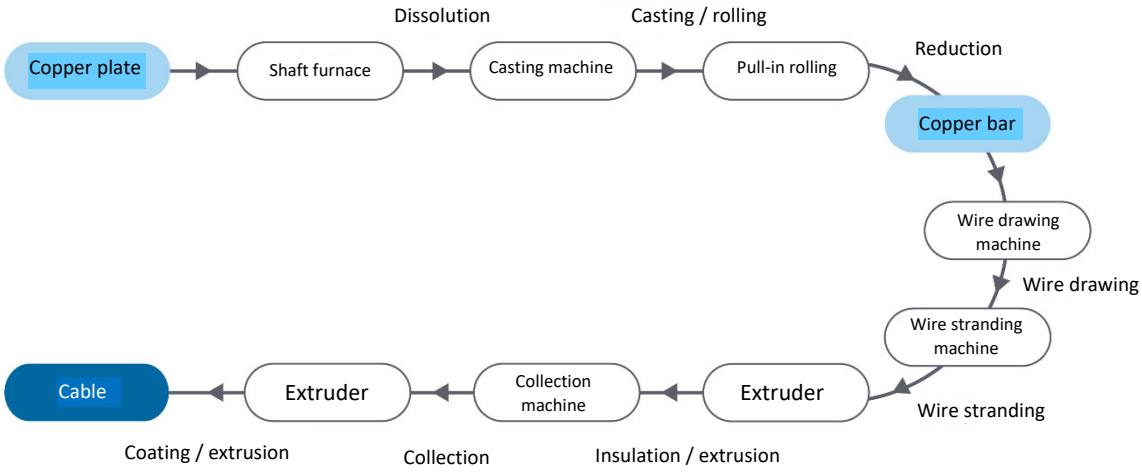
(2) Key applications and production processes of main products

1. Key Applications of Main Products

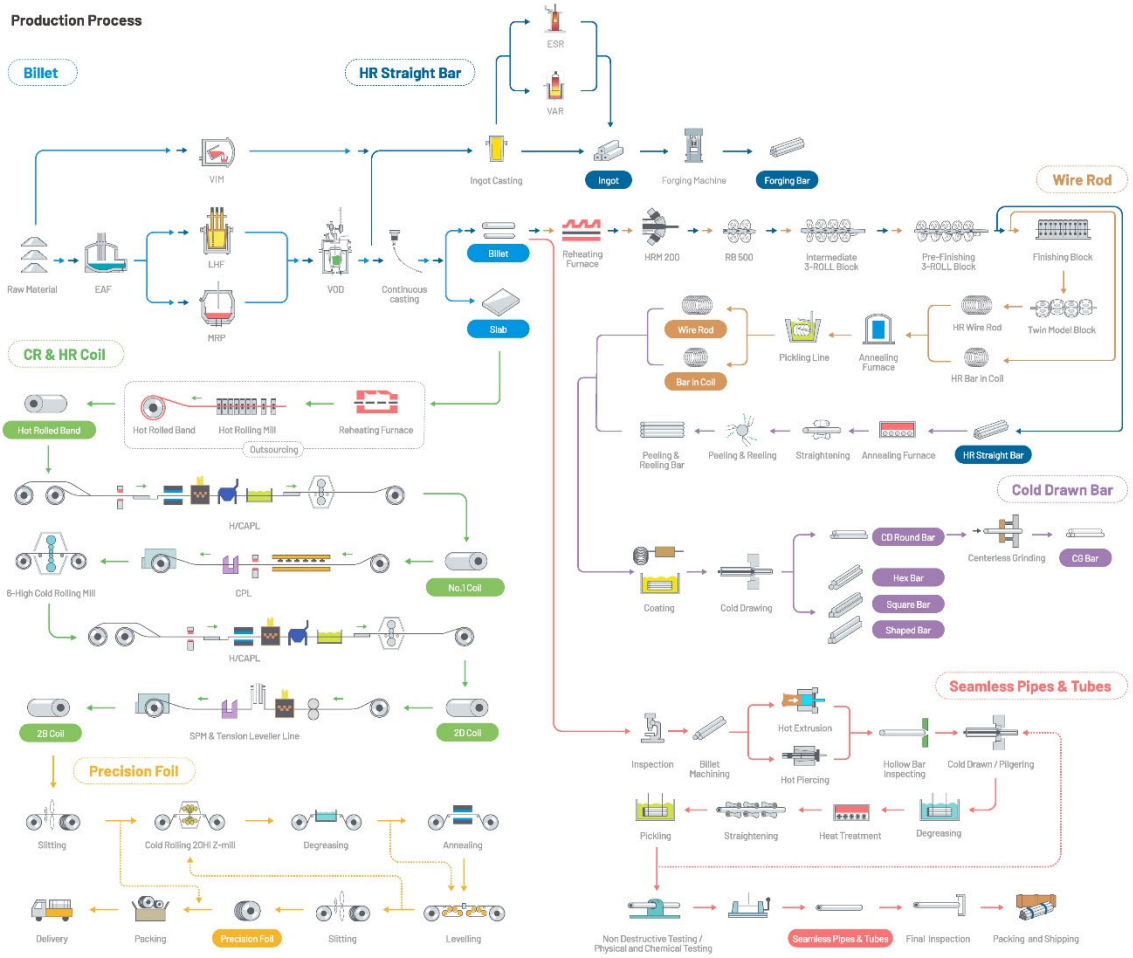
Main Products	Key Applications
Copper material	Wire and cable conductor, home appliances, electrical and electronic devices, transformers, etc.
Power cables	Primarily used for power plants, power transmission and distribution, plant facilities, transportation construction, construction of power transmission lines, etc.
Steel billets	Hot-rolled wire rods, hot-rolled straight rods, flanges, seamless steel pipes, etc.
Flat billet	Hot-rolled steel coils, hot-rolled plates, heavy forgings, etc.
Wire rods	Screws and nuts, springs, welding rods, steel wires, braids and hardware wires, buildings, medical equipment, eating utensils, profiles, etc.
Hot-rolled coil (flat panel category)	Chemical tanks, pipes for industry and building and pipes for petrochemical industry
Cold rolled coil (flat panel category)	Building decoration, kitchen utensils, appliances, medical equipment, electronic communications, chemical tanks and steel tubes
Peeled straight rods	Forging materials, turning parts, electric machine accessories, etc.
Cold finish straight rods	Shafts, medical equipment, furniture decoration items, turning parts, electric machine accessories, high-durability industrial components (for automotive, petrochemical, aerospace, energy, and chemical applications), etc.
Stainless steel seamless pipe	Petrochemical heat exchanger; fluid pipe and instrument pipe boiler station pipe; nuclear power station pipe; shipboard fluid pipe and instrument pipe; turning pipe.
Mechanical processing shaft semi-finished products	Aircraft engines, oil and gas mud engines, drill bits, etc.
Engineering components	Customized products
Hot-rolled straight bars	Structural building components (for offshore facilities, power plants, chemical plants, etc.), large fasteners
Nickle pig iron	Our products are mainly supplied to and used by steel mills to smelt stainless steel, and processed into semi-finished stainless steel products such as billets, slabs, HR coils and HR straight bars.
Nickel matte	We supply the product to mainly nickel sulfate factories for processing into nickel sulfate, which can continue to go downstream for the production of electrolytic nickel or ternary cathode materials for batteries.

2. Production Process

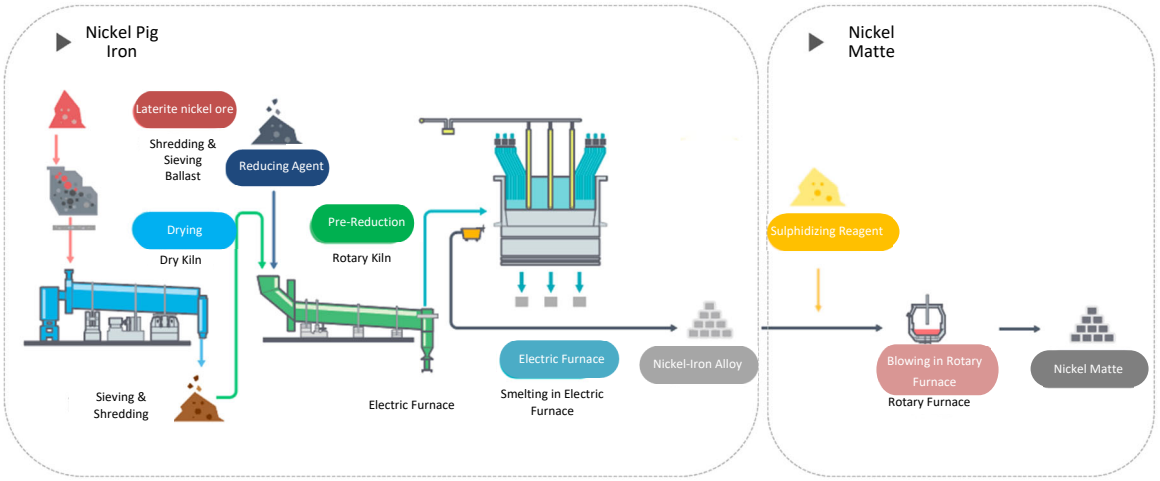
(1) Wire and Cable Business



(2) Stainless Steel Business



(3) Resources Business



(3) Supply Status of Main Raw Materials

Business Unit	Main Raw Materials	Description of Supply Status
Wire and cables	Copper plates	The main sources are Japan, Australia, Chile and Southeast Asia by signing long-term annual contracts, which sources are supplemented by spot purchases. Therefore, the supply is stable.
	Polyethylene	Purchased by quarterly quantity bargaining, mainly imported from Middle East, Europe and Japan.
	Other chemical materials	Adopts monthly/quarterly quantity bargaining method and raw materials should mainly be locally sourced.
Stainless Steel	Pure nickel, high carbon nickel iron, high carbon ferrochrome, stainless steel scraps, grade 1 steel scraps, molybdenum iron, etc.	We seek long-term partnerships with well-established, reputable suppliers and allocate the appropriate proportion of supply sources to diversify risks and enhance the resilience of the supply chain. In addition to being sourced from Taiwan, raw materials are also from Indonesia, Japan, Australia, New Caledonia, South Africa, Europe, United States and China. Among these, CAS has acquired a major supplier of stainless steel scrap, ensuring complete control over its raw material sources.
Resources	Laterite nickel ore	All laterite nickel ore used for nickel pig iron and nickel matte is sourced chiefly from local suppliers in Indonesia. In response to recent policy changes in Indonesia, the Company will flexibly adjust its procurement strategies and sources to ensure an uninterrupted supply of materials.

(4) The names, procurement (sales) amounts and ratio of our clients whose total procurement (sales) for any year in the last two years reached 10% or more.

1. Major supplier information for the last two years

Unit: NT$ thousands

Year	2024				2025			
Item	Name	Amount	Percentage of Total Purchases (%)	Relationship with Issuer	Name	Amount	Percentage of Total Purchases (%)	Relationship with Issuer
	Supplier A	22,870,397	15	-	Supplier A	20,586,507	14	-
	Other (Note)	127,469,066	85	-	Other (Note)	128,336,399	86	-
	Net Purchases	150,339,463	100	-	Net Purchases	148,922,906	100	-

Note: There is no supplier accounting for more than 10% of total amount of purchases.

2. Major customer information for the last two years

Unit: NT$ thousands

Year	2024				2025			
Item	Name	Amount	Percentage of Net Sales (%)	Relationship with Issuer	Name	Amount	Percentage of Net Sales (%)	Relationship with Issuer
	Net Sales	179,318,340	100	-	Net Sales	174,242,895	100	-

Note: There is no customer accounting for more than 10% of the total sales amount.

3. Employee Data

(1) Employees of Walsin Lihwa Holdings Limited:

As of March 24, 2026

Year		2024	2025	Current Year as of March 24, 2026
Number of employees		11,612	11,803	11,718
Average age		36.9	34.7	34.7
Average years of service		7.3	7.6	7.7
Education background (%)	Ph.D.	0.3	0.3	0.3
	Master's	5.8	6.3	6.4
	University/College	35.2	33.2	33.1
	High school	39.7	38.8	38.7
	Below high school	19.0	21.4	21.5

Note: Walsin Lihwa Group includes all of Walsin Lihwa's business divisions and subsidiaries.

(2) Employees of Walsin Lihwa Corp.:

As of March 24, 2026

Year		2024	2025	Current Year as of March 24, 2026
Number of employees		2,905	2,855	2,842
Average age		39.8	40.2	40.3
Average years of service		10.4	10.5	10.6
Education background (%)	Ph.D.	1.0	0.9	1.0
	Master's	18.5	17.8	17.8
	University/College	42.5	42.6	42.7
	High school	21.9	22.1	21.8
	Below high school	16.1	16.6	16.7

4. Environmental Protection Expenditure Information

(1) For the most recent year and up to the date of publication of the annual report, the losses suffered by the Company as a result of environmental pollution (including compensations and violations of environmental protection laws and regulations found in environmental protection inspections; the punishment date, the letter number, the legal basis for the punishment, the legal provision and the content of the punishment shall be specified), and the estimated amount of such losses that may occur now and in the future and the countermeasures against them; if they are not reasonably possible to estimate, the facts that they cannot be reasonably estimated should be stated:

Two environment protection-related penalties were imposed on the Yenshui Plant in 2025.

Date of Penalty	December 10, 2025
Penalty Reference Number	Environmental Protection Bureau of Tainan City Government Penalty Reference No. 20-114-120007 Penalty Reference No. 20-114-120008 Penalty Reference No. 20-114-120009
Details of Violation	On-site inspection revealed discrepancies with the issued operation permit.
Remedial Measures	Establish an internal inventory and inspection system; conduct a comprehensive inventory of operation permits for air and noise within the facility, and submit corrections based on the inventory results.
Violated Legal Provisions	Violation of Article 24 of the Air Pollution Control Act
Content of Violated Regulations	Public and private premises shall obtain a stationary pollution source operation permit prior to operation, and shall operate in accordance with the approved contents of the permit.
Penalty Amount	NT$300,000

Date of Penalty	August 11, 2025
Penalty Reference Number	Environmental Protection Bureau of Tainan City Government Penalty Reference No. 20-114-080004
Details of Violation	The Yenshui Plant was cited for deficiencies in dust collection and vehicle washing facilities in violation of the Air Pollution Control Act.
Remedial Measures	Immediate improvements have been implemented, and maintenance protocols have been strengthened.
Violated Legal Provisions	Violation of Paragraph 2, Article 23 of the Air Pollution Control Act, as well as Articles 4, 5, and 6 of the Management Regulations for Facilities to Control Fugitive Dust Air Pollution from Stationary Pollution Sources.
Content of Violated Regulations	On-site violation of the Management Regulations for Facilities to Control Fugitive Dust Air Pollution from Stationary Pollution Sources.
Penalty Amount	NT$150,000

Note: The standard for disclosure of major fines is NT$100,000/RMB22,000

Although our Taiwan plants did not incur any major environmental penalties (defined by the Financial Supervisory Commission as those exceeding NT$1 million) in 2025, there were three environmental compliance issues, all of which were promptly remediated with enhanced personnel and procedural management. Despite being subject to intensified scrutiny by central and competent authorities as part of the steel and surface treatment industries, the Company experienced no pollution leakages resulting in production stoppages or community protests, and no wastewater or waste material leakage incidents occurred at any of our plants. Moving forward, we will continue self-monitoring according to our environmental management system framework. Additionally, the Environmental Safety Management Committee will conduct periodic inspections to verify environmental regulatory compliance at all plants and strengthen on-site surveillance to ensure regulatory conformity and prevent pollution incidents.

(2) Future response measures (including improvement measures) and possible expenses:

Despite the large amount of manpower, materials and funding invested in environmental protection to comply with international benchmarks over the years, Walsin Holdings was still fined for pollution. To keep pollution under adequate control, the Company requires factories in Taiwan and overseas to step up self-

regulation to avoid human errors and to implement economically feasible environmental management projects. Internal audit and environmental education & training (including regulatory identification) will also be applied to assist in reinforcing self-regulation and horizontal development at various factories. Environmental investment plans and management measures are as follows:

1. Obtained ISO-14001 certification for system management:

   In line with international environmental conventions, factories in both Taiwan (Hsinchuang plant 1, Hsinchuang plant 2, Yangmei plant, Taichung plant and Yenshui plant) and mainland China (Shanghai Walsin Lihwa Power Wire & Cable plant, Nanjing plant, Jiangyin plant, Yantai plant and Changshu plant) have all obtained "Environmental Management System" certification. In order to ensure the operational effectiveness of Walsin's environmental management system, the Company hired a professional consulting team in 2017 to instruct 10 domestic and overseas factories to transition to ISO 14001:2015. Basic operation for ISO 45001 was also introduced as a pilot program, as environmental protection and vocational safety & health management system are integrated into a universal operating model across the entire group while on-site guidance is also provided. Consistency in documentation and stability in system operation are required of these factories. Through educational training at various factories, the spirit of the management system is deeply ingrained in actual factory operation after multiple training sessions focusing on topics ranging from regulatory interpretation to actual operation. Furthermore, with a proactive attitude, we will continue to improve our overall environmental protection efforts and vocational safety & health condition. We will strive to enhance environmental performance, reduce environmental loss, improve corporate image and boost our international competitiveness. Walsin has completed the integration and version conversion of its management system at all of its factories at home and abroad in 2018, with the certificates being valid for three years. The relevant certificate documents are placed in the document management section of Walsin Lihwa website and are updated regularly.

2. Air pollution management:

   Comply with the air pollution control laws in Taiwan and in China and apply for permits for fixed (atmospheric) pollution source ranges that are progressively announced. The various plants in Taiwan and in China have obtained operating (emission of pollutants) permits for various manufacturing processes and facilities, reducing atmospheric emissions.

3. Greenhouse gas emission and campaign for reduction:

   To counter climate change and global warming, reduction in greenhouse gas emission is a necessary measure. GHGs inventories provide compliance basis for efforts to reduce greenhouse gas emission.

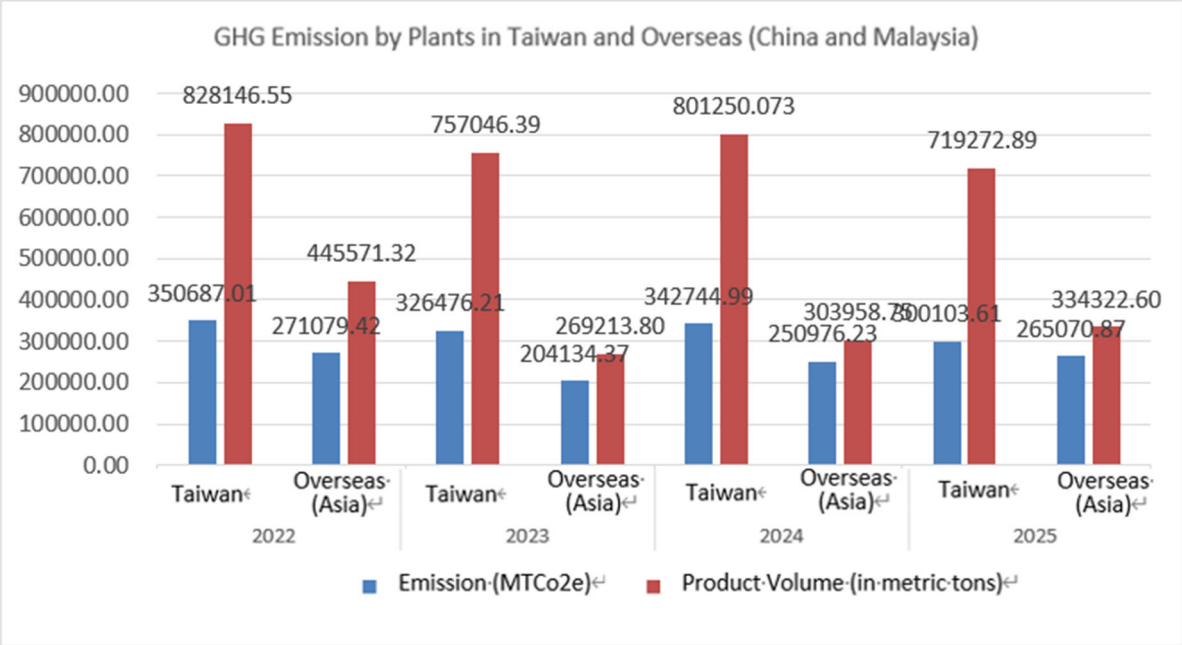
   Since 2015, the Company has established the "Safe Environment Information Platform--the ability to conduct GHGs inventories and to calculate carbon emission for products" to collect greenhouse gas emissions at home and abroad. Through continuous review every year and smart system management, the Company keeps optimizing its greenhouse gas emissions. Through the electronic system, we can grasp the current year's quarterly emissions and compare them with the same period last year, and further produce the trend graph for the quarterly meeting of the Environmental, Safety and Health Management Committee to review the carbon emissions regularly, so as to effectively review and manage the Company's carbon emissions. In addition, in order to improve the company-wise operation of the greenhouse gas control system, we also plan to promote the implementation of ISO 14064-1 in each plant. In 2015, our Taichung and Yenshui plants in Taiwan have obtained ISO 14064-1 certification, and the latest certificates and expiration dates are regularly posted on our CSR website every August. Hsinchuang, Yangmei, Taichung, and Yenshui Plants have also obtained the new version of ISO 14064:2018 certification in 2021, and at the same time, we planned to promote the introduction of ISO 14064-1 in overseas plants and have executed the same and obtained a third-party certification from 2023 to 2025. Furthermore, Walsin continues to monitor developments in carbon emissions trading, the EU Carbon Border Adjustment Mechanism, Taiwan's carbon fee system, and is formulating internal carbon pricing strategies. The Company participates in mainland China's carbon trading market operations to secure future carbon allowances and ensure sustainable business development.

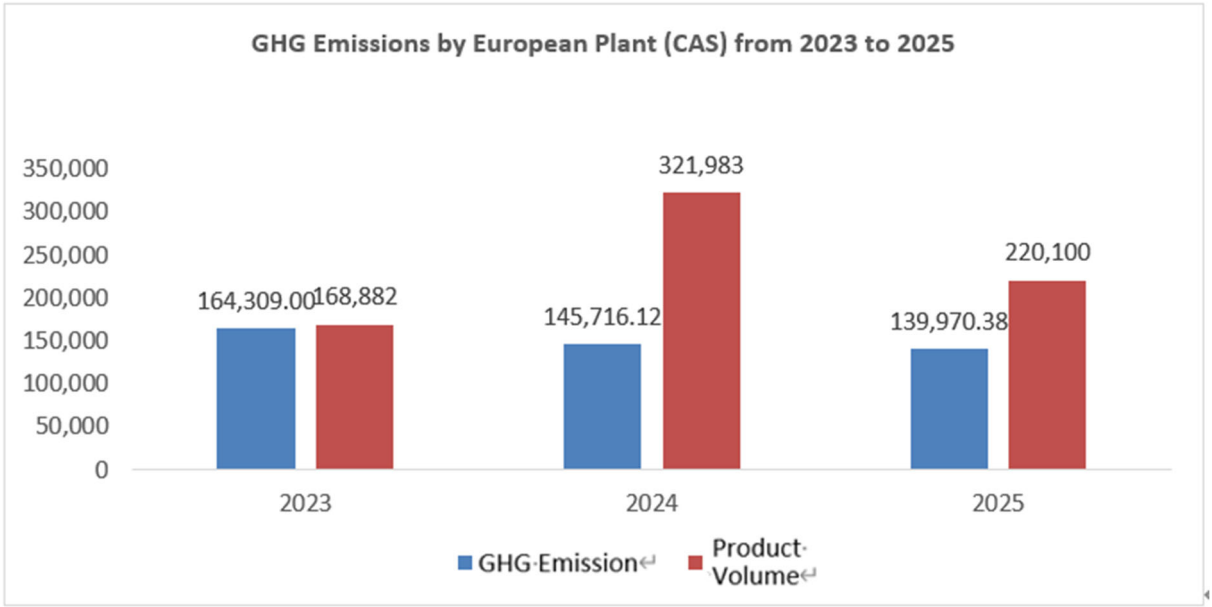
   Safety and Environmental Information Platform

   Since 2015, “Safety and Environmental Information Platform - Greenhouse Gas Inventory and Calculation Product Carbon Inventory” has been established and continuously optimized to collect the greenhouse gas emissions of each plant; the Environment, Health and Safety Committee reviews and manages the greenhouse gas emissions on a quarterly basis.

ISO 50001(Energy Management System)	ISO 14064-1 (Greenhouse Gas Verification Standards)	ISO 14067 (International Standards for Product Carbon Footprint)
● Since 2018, our plants in Taiwan and China have promoted the five-year energy management plan (2022–2027) based on ISO 50001, and an annual dynamic review has been conducted based on the status of each plant. The Company continues to maintain its annual ISO 50001 system certification. ● In 2025, in order to expand the scale of low-carbon operations, the Company officially launched the ISO 50001 implementation project at its Indonesian plants. Following seed personnel training, energy review and management standardization, the Indonesian plants successfully completed external verification in August of the same year. Starting from 2026, the Indonesian plants will also be incorporated into the scope of annual system maintenance. Through standardized management and performance tracking, the Company will continue to enhance overall energy efficiency and fulfill its corporate carbon reduction commitment.	● Since 2015, our Taichung Plant and Yenshui Plant have passed ISO 14064-1 certification. ● In 2020, our Hsinchuang Plant and Yangmei Plant passed the same. ● In 2022, overseas plants introduced the ISO 14064-1:2018 standards to conduct internal greenhouse gas emission inventory. ● In 2023, our plants in Taiwan and overseas passed ISO 14064-1:2018 certification. ● In 2024, PT. Walsin Nickel Industrial Indonesia (WNII) and PT. Sunny Metal Industry implemented the ISO 14064-1:2018 standard, conducting internal greenhouse gas emissions inventory that received third-party verification. ● In 2025, Hangzhou Walsin Power Cable & Wire Co., Ltd. implemented the ISO 14064-1:2018 standard, conducting internal greenhouse gas emissions inventory that received third-party verification.	● In 2025, the Company completed the product carbon footprint self-inventory based on ISO 14067:2018 at its plants in Taiwan and China; two products at the Hsinchuang Plant continued to pass third-party product carbon footprint verification. ● In 2025, three products at the Yangmei Plant obtained and passed third-party product carbon footprint verification. ● In 2025, two products at the Shanghai Plant obtained and passed third-party product carbon footprint verification. ● In 2025, the Hsinchuang Plant obtained product carbon labels.

(1) Greenhouse Gas Value Chain Inventory (GHG Scope 1-2)

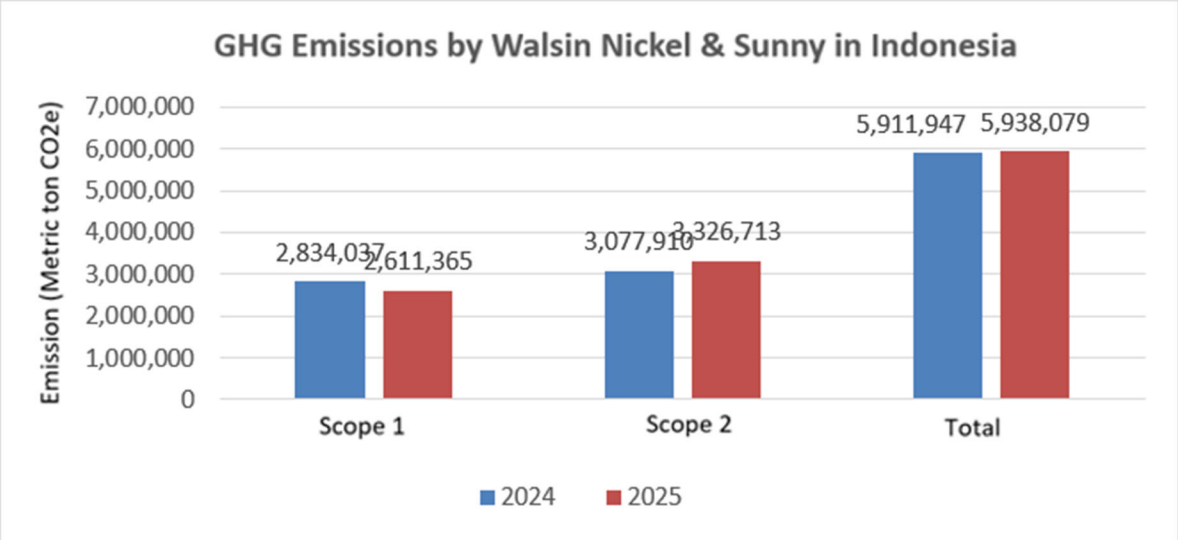




(2) Greenhouse Gas Value Chain Inventory (GHG Scope 3)

Walsin Lihwa, in an effort to create a greater impact on climate change and to enhance the highest value of the product value chain, extends its carbon management plan beyond its own operational greenhouse gas emissions. Following the ISO 14064:2018 and GHG Protocol standards, and through third-party verification and disclosure, Walsin Lihwa expands its carbon management plan to include its value chain partners. This identifies the most emission-intensive activities within the value chain as a precise guide for emission reduction strategies, also uncovering more opportunities for transformation. In the action plan for 2025, we have established a low-carbon alliance and promoted a sustainable supply chain, working together with our value chain partners to create a sustainable development business model.

In our 2025 project of Scope 3 greenhouse gas inventory, we adopted materiality assessment criteria, considering factors such as emission volume, improvement potential, and quantification methods. We identified emissions from upstream raw materials of our purchased products and services, upstream emissions from fuel and energy-related activities, and disclosed a total of 5 items in Scope 3/Categories 3 to 4. Walsin Lihwa continues to collaborate with its value chain partners in developing low-carbon products through strategies such as green product design, jointly combating climate change and global warming with its value chain partners.



	GHG Protocol	ISO 14064-1:2018	Emissions from Taiwan Plants ($MTCO_2e$)	Overseas Plants (Asia) ($MTCO_2e$)
Scope 3	Category 4: Emissions from upstream transportation and distribution	Category 3: Greenhouse gas emissions from transportation	141,049.68	70,530.33
	Category 7: Emissions from employee commuting			
	Category 9: Emissions from downstream transportation and distribution			
	Category 1: Products and services procured	Category 4: Indirect greenhouse gas emissions from products used by the organization	3,509,144.45	1,527,334.90
	Category 5: Emissions from waste generated in operations			

Note: 1.Scope 1 is direct energy, and Scope 2 and Scope 3 are indirect energy; the sources of greenhouse gas emissions include CO2, N2O, CH4, HFCs, and SF6

2.Taiwan: Yangmei Plant, Hsinchuang Plant, Yenshui Plant, and Taichung Plant

3.Overseas (Asia): Jiangyin Alloy, Shanghai Walsin, Yantai Walsin, Changshu Walsin, and Walsin Precision

4.Emission Unit: MTCO2e; Intensity Unit: MTCO2e/metric tons of product

5. The emission factor is based on the Environmental Protection Administration's announced greenhouse gas emission factor management table version 6.04, with the GWP (Global Warming Potential) values taken from the IPCC 6th Assessment Report (2023). The greenhouse gas compilation method is based on the operational control approach.
6. 2014 is the starting year for the Company's implementation of the energy-saving plan
7. Scope 2 emissions are calculated based on a site-based approach

4. Wastewater treatment:

The wastewater from each of Walsin Lihwa's plants has been properly treated and discharged through wastewater treatment facilities in the plant site and the wastewater quality testing has been regularly conducted to avoid the impact of wastewater discharge on the environment. Management at source is most important in water conservation. Based on water quality characteristics, the treatment procedures were designed and recycling units were installed, so the wastewater has been discharged to nearby rivers according to regulations or piped to recycling units in order to effectively use limited water resources. Each plant site has adjusted equipment and process to reduce water consumption and improve wastewater recycling system, so as to enhance the recycling ratio of the process water.

The average pollutant concentration in wastewater discharged by the factories in 2025 met the effluent criteria. The recycling ratio of Taiwan plants reached 90% and above.

Note: The above figure is sourced from Section 1.3.1 "Use of Water Resources" in our Sustainability Report.

5. Strict control of industrial waste:

The 4Rs (reduce, reuse, recycle and recovery) have constituted the foundation for Walsin's waste production and control. In 2025, for our plants in Taiwan and China, overall waste recycling rate of copper wire, wire and cable and stainless steel reached 92.88%, of which the non-hazardous waste recycling rate was 99.14%; hazardous waste was 76.48%. Except for some of the waste produced by self-recycling and reuse, the rest are entrusted to qualified manufacturers for removal, treatment or reuse. The output of waste in Taiwan and China factories decreased by 7% compared with 2024; for the Taiwan plants, the overall waste recycling rate of harmful waste increased by 0.13% compared with 2024, mainly because all the waste acid from Yenshui Plant was transported to the Taichung Plant for waste acid treatment and reuse and process improvement and adjustment, thereby reducing the dust collection ash and sludge, and the landfill rate of plants in Taiwan stood at <1% target.

Aside from continuing to promote source reduction of waste and recycling of waste in the plant, the Company will, in conjunction with the strength of the supply chains, reduce the amount of raw materials and reduce the harm that production may bring to the environment. The Company has established strict control and auditing mechanisms for waste flow and screening of qualified vendors to ensure that waste flows are proper and legal.

Goals for Waste Management

Unit: Metric ton/1000 metric tons of product

	2025 (Act.)	2026 Goal	2030 Goal
Non-Hazardous Waste Landfill Rate	0.18	0.5	Adopting BACT
Hazardous Waste Landfill Rate	0.13	0.2	

Waste output and disposal by Taiwan and overseas plants in 2025 (Unit: Metric ton):

Region	Taiwan			Overseas (Asia)			Overseas (Europe)			Company-Wide		
Disposal	Non-hazardous	Hazardous	**Total**	Non-hazardous	Hazardous	**Total**	Non-hazardous	Hazardous	**Total**	Non-hazardous	Hazardous	**Total**
Recycling (for reuse)	71,699.54	31,609.56	**103,309.10**	79,699.11	13,058.74	**92,757.85**	13,296.00	5,877.00	19,173.00	**164,694.65**	**50,545.30**	**215,239.95**
Incineration	550.75	4.16	**554.91**	623.96	4,330.96	**4,954.92**	117.00	159.00	276.00	**1,291.71**	**4,494.12**	**5,785.83**
Burial	6.45	95.66	**102.11**	72.73	9,090.12	**9,162.85**	55,560.00	539.00	56,099.00	**55,639.18**	**9,724.78**	**65,363.96**
Other treatment	51.91	9.63	**61.54**	-	204.54	**204.54**	8.00	8,030.00	8,038.00	**59.91**	**8,244.17**	**8,304.08**
Total	72,308.65	31,719.01	**104,027.66**	80,395.80	26,684.36	**107,080.16**	68,981.00	14,605.00	83,586.00	**221,685.45**	**73,008.37**	**294,693.82**

Note: 1.Except for the hazardous waste from dust collection by Yenshui Plant, which was recycled in the plant, and the waste acid from Taichung Plant and Yantai Plant, which was disposed of and recycled in the plant (48,720.89 metric tons in total), all hazardous and non-hazardous waste generated by our plants in Taiwan and Asia was disposed of outside of the plants.

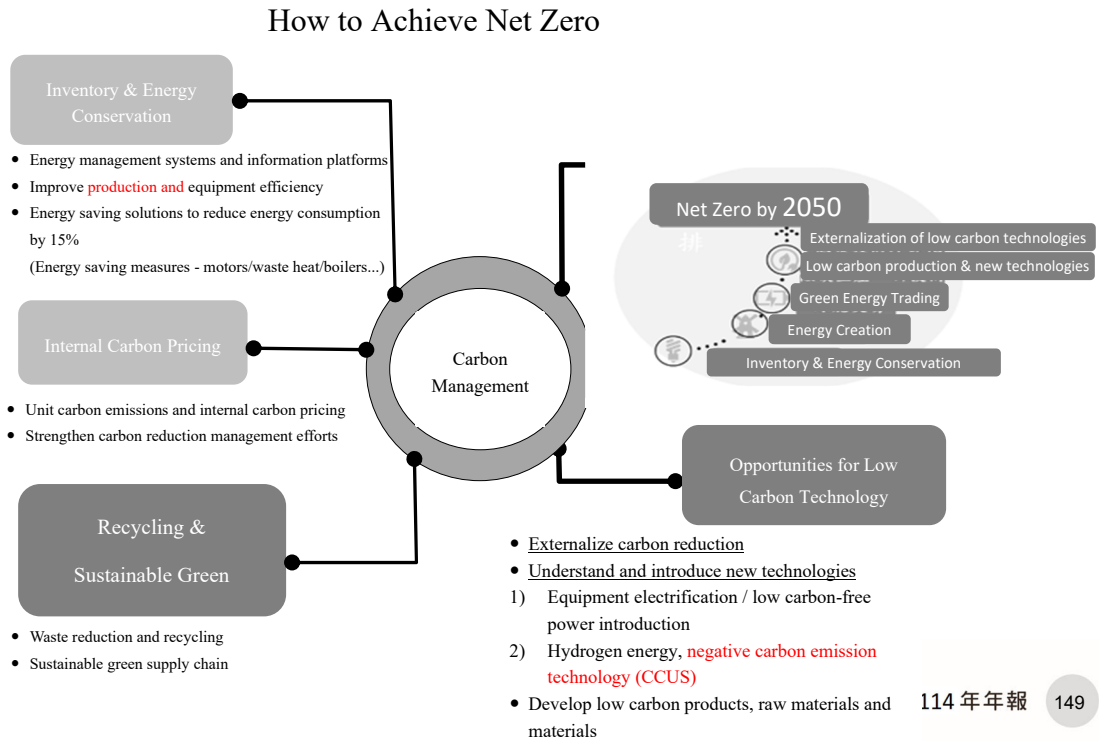
2.The total amount of non-hazardous waste recycled in the European plants was 1,050.49 metric tons, while the remaining hazardous and non-hazardous waste was disposed of outside of the plants.

6. Improving energy use efficiency:

Walsin Lihwa upholds the business philosophy of "Green Manufacturing, Happy Enterprise and Sustainable Management". In addition to committing to quality management, pollution prevention, environmental protection, safety and health, our company adopts "Enhancing energy efficiency and promoting clean energy" as its energy management guidelines to fulfill its social responsibility in energy conservation and carbon reduction. We aggressively incorporate energy-saving equipment, efficient technologies, environment-friendly facilities and environmental protection designs and green process into promoting improvement of energy efficiency at source. In response to the governments' energy policies and measures, we educate our employees about energy conservation and inventory the energy consumed by equipment and facilities to seek opportunities for improving our energy performance and to also effectively implement our energy saving plans.

7. Energy conservation and carbon reduction:

- 2015: Established energy conservation and carbon reduction management organizations across all plants, setting annual targets and implementing various energy conservation and carbon reduction measures. Regular meetings were conducted to review progress, and an energy management information platform was established for real-time management.
- 2021: Planned and installed 5.5 MWp of renewable energy (solar) for self-generation and consumption. The installation was fully completed in 2024.
- 2022: The Environmental, Health and Safety Committee adjusted the five-year energy management plan on a rolling basis, establishing annual targets of 1% electricity savings and 1.5% carbon reduction.
- 2025:
- Self-generated renewable electricity (Wire and Cable Business: 4,320,069 kWh; Stainless Steel Business: 2,182,799 kWh, totaling 6,502,868 kWh) + externally purchased green power (16,793,702 kWh), with a combined total of 23,296,570 kWh.
- All four plants in Taiwan met the Bureau of Energy, Ministry of Economic Affairs' annual electricity saving rate requirement of 1%, achieving an average electricity saving rate of 5.51%. Taiwan and overseas plants (Asia) jointly proposed 99 carbon reduction initiatives, resulting in a total electricity saving rate of 3.07% and a total carbon reduction of 14,201 MTCo2e per year.



Carbon Reduction Results from 2015 to 2024 (Unit: MTCO2e)

2025 Energy Saving Plans

Plant	Project Type	Energy-Saving Type	Project Quantity	Energy Savings	Energy Consumption Reduced (in MJ)	Carbon Reduction ($MTCO_2e$)	Carbon Reduction Amount (NTD)
Taiwan	Energy saving in manufacturing processes/offices	Electricity (kWh)	64	19,441	69,987,632	9,215	31,803,784.22
		Natural gas (thousand cubic meters)	10	790	29,768,477	1,641	
		Others (metric tons)	1	17,783	-	65.08	
Total			75	38,014	99,756,109	10,921	
Overseas (Asia)	Energy saving in manufacturing processes	Electricity (kWh)	16	2,024	7,285,574	1,394	4,944,783.15
		Natural gas (thousand cubic meters)	6	840	31,652,457	1,846	
		Diesel (kiloliters)	1	1.3168	46,296	3.0026	
		Others (metric tons)	1	160	-	37	
Total			24	3,025	38,984,327	3,280	

8. 2025 Environmental Investments

Walsin actively introduces advanced recycling equipment and combines various management systems and methods to minimize the adverse impact of production activities on the environment, including reducing emissions and improving recycling rates, introducing a complete environmental monitoring system to inventory potential polluted areas, and taking preventive and improvement measures in advance. We spent a total of NT$459,998,040 on environmental protection equipment and expenses in 2025.

2025 Environmental Investments by Walsin

Category of Environmental Protection Costs	Taiwan	China	Malaysia
	Amount (NTD)	Amount (NTD)	Amount (NTD)
Environmental Protection Equipment Costs	8,600,000	648,375	0
Environmental Protection-Related Management Costs	287,504,375	115,704,187	198,014
Other Environmental Protection-Related Costs	16,332,104	30,773,027	237,958
Subtotal	312,436,479	147,125,589	435,972
Total			459,998,040

Note: The figures above are sourced from our Sustainability Report 1.2.1 "Environmental and Energy Management Policy"

5. Employees-employer relations

(1) Worker-Management Relations and Welfare

The pursuit of excellence, innovation and learning and friendly environment form the basis of sustainable development at Walsin Lihwa. Its respect and attention to "people" is reflected in its human resources management systems and various worker-management relations mechanisms, which are described as follows:

1. Smooth worker-management communication channels

(1) In 1976 the Company established an industry union to advocate suitable policies and the voice and proposals of workers are communicated using an employer and employee dual-channel communication method.

(2) The union's negotiation meetings between employer and employee representatives are held each quarter. Union representative conferences are held every year to establish a good bridge of communication between employers and employees. Walsin has not entered into a group agreement with the industry union. Although the Company has established a union, the Company has not yet entered into a group agreement with it because the union has not requested a group agreement from the Company to date.

(3) The Company publishes the "Walsin People Digital Newsletter" to share information on critical business operations and management. The company has also established an international communication platform to hold online events and opinion surveys.

2.The Company's remuneration policy is planned on the principle of being able to attract and retain talent:

(1) Salary: The Company periodically references market salary survey reports and comprehensively evaluates relevant industry compensation information to ensure overall compensation is market-competitive. The Company's remuneration policy considers the following principles:

- A reasonable and competitive overall remuneration based on the market value of each professional function and the employee's scope of responsibilities and expected contributions.
- Employees' pay and compensation are approved and determined on the basis of their academic experience, professional knowledge and expertise, seniority and personal performance, without discrimination based on gender, race, religion, political affiliation, marital status or union affiliation.
- Each year, based on the Company's profitability and market salary survey results, salary adjustment evaluations are conducted to maintain market competitiveness and internal equity.
- Comprehensively considering employee performance, development potential, organizational needs, and individual career development aspirations, the Company plans promotions or position adjustments.
- The starting salary standards for fresh graduates and foreign workers comply with local laws and regulations.
- The Company is committed to establishing harmonious and stable labor relations in compliance with the relevant local laws and regulations.

(2) Bonuses and Rewards:

The Company has established a diversified incentive compensation mechanism aimed at sharing operational results with employees and motivating outstanding employees to continuously improve their performance. Incentive compensation is comprehensively evaluated based on the Company's overall operational performance, team goal achievement, and individual performance, with differentiated performance bonuses and various bonuses; employee compensation is also allocated and distributed based on the Company's profitability in accordance with relevant regulations, to strengthen employee cohesion and corporate competitiveness

3. We also provide a diverse welfare system that includes the following:

Insurance & Protection	Subsidies	Other Benefits
•Labor insurance •Health insurance •Group insurance (life insurance, accidental injury insurance, hospitalization insurance, cancer insurance, etc.) •Overseas Travel and Expatriate Insurance •Regular staff health checks •Monthly pension contribution •Severance payments, pensions	•Travel Subsidies •Subsidies for club activities •Wedding and Funeral Grant •Maternity benefit •Supervisor's Health Benefits •Hospitalization condolences •Scholarship for Staff and Children •Various interest-free loans (emergency loans, education loans for employees' children, home purchase loans)	•Birthday Gift Vouchers •3 Festival Gift Money (Voucher) •Labor's Day Souvenirs •Staff dorms (for some factories) •Commuter Bus (Factories) •Provide annual leave of absence better than what is provided by law •Organize lectures about health, life, soul, financial management, and travel for colleagues non-periodically •Discount for employees by special vendors • Gold medal for senior staff • Massage and relief services

4. Under the "Walsin Lihwa Employee Learning and Development System," each employee is incorporated into the Company's operating strategies, policies and target objectives based on his/her capabilities, job performance and career development. This enables employees, job performance and the organization to be fully integrated and to achieve synergies in employee learning and development. The content of the system includes the following:

(1) Professional talent training in all levels
(2) Management talent training
(3) New employee orientation course series
(4) General knowledge courses for all employees
(5) Self-motivation course
(6) Quality and safety awareness course series

In 2025, the Company spent a total of NT$49,000,000 on employee education and training. Details are as follows:

Total training participation	Total training hours	Average training hours per employee
73,477	217,822	18

Training statistics above include data from Taiwan and the subsidiaries in China.

5. Retirement system:

To provide employees with secure and reliable job protection, the Company has established a comprehensive retirement system in accordance with the relevant laws and regulations. The specific measures are as follows:

(1) A “Pension Oversight Committee” was established in 1986, whereby workers’ pension reserve funds—equivalent to 2% of the total salary of all employees retaining seniority under the old pension scheme—are deposited monthly into a dedicated pension account at the Bank of Taiwan for designated management.

(2) The Company has commissioned external consultants to prepare a pension fund actuarial report annually since 1994 and set aside a pension reserve fund each month based on the actuarial report in order to satisfy pension applications made by employees eligible for retirement. In 2025, NT$1,858,000 was set aside for the pension reserve fund.

(3) In conjunction with the implementation of the new Labor Pension System in 2005, the Company has processed pension contributions in accordance with the law: for employees who elected to remain under the old system, pension reserves continue to be appropriated pursuant to the relevant regulations and the aforesaid principles; for employees who elected the new system, 6% of their monthly contribution wages is contributed to their individual accounts at the Bureau of Labor Insurance on a monthly basis. Employees may also elect to make voluntary contributions within the 6% threshold to facilitate their personal

retirement planning and enhance retirement protection. The amount that should have been appropriated for 2025 pursuant to the defined contribution plan has been recognized in the individual statement of comprehensive income, with expenses totaling NT$113,934,000.

(4) In accordance with the relevant provisions of the Labor Standards Act as amended in 2015, the Company conducts an annual year-end review of the appropriations in the designated labor pension reserve fund account, estimates the amount of pension required for employees who will meet the statutory retirement conditions in the following year, and makes up any shortfall before the end of March of the following year. Based on the year-end assessment for 2025, the balance in the pension reserve fund account is sufficient to cover the estimated pension requirements for employees expected to meet the retirement conditions in 2026.

(5) In addition to compliance with the aforesaid retirement regulations and in recognition of the contributions of retiring employees, the Company presents each retiree with a commemorative gold medal. The Employee Welfare Committee and the union also present retirement gifts to express sincere gratitude and respect to retiring employees.

(6) For employees in China, the subsidiaries enroll their employees in pension plans as required by law and make monthly contributions to the pension plans according to the local regulations in order to provide adequate retirement protection for the employees.

6. Employee Code of Conduct:

To ensure that employees comply with obligations to the Company, customers, competitors and suppliers during business operations, the Company has established an Employee Code of Conduct in order to regulate employee behavior. The highlights of this Code are as follows:

(1) Obligation to the Company: All Company employees must be dedicated, studious, conform to all rules of the Company and ensure confidentiality.

(2) Obligation to customers: When conducting business dealings in representation of this Company, the employee's attitude must be humble and without any arrogance or pride lest damaging the Company's image.

(3) Obligation to competitors: The Company's employees should gather competitor information to serve as a reference for Company strategy in a legal and open manner.

(4) Obligation to suppliers: Negotiations and transactions with suppliers by employees must uphold the principles of fairness, reasonableness and reciprocity in order to achieve a win-win result.

7. As a guide for employees to follow ethical standards and corporate governance, the Company has established additionally an Employee Code of Ethical Conduct. The highlights of this Code are as follows:

(1) Prevention of conflicts of interests

(2) Prevention of opportunities to obtain personal gains

(3) Duty of confidentiality

(4) Fair trade

(5) Protection and appropriate use of Company assets

(6) Legal compliance

(7) Prohibition of gifts, bribes or any improper benefits

(8) Prohibition of external communication of information against the Company

(9) Equal employment opportunity and prohibition of discrimination

(10) Health and safety in workplace

(11) Correctly prepared documents and duty to maintain records

(12) Respect for intellectual property

8. Atypical Labor Rights Protection:

The Company categorizes the employment of atypical labor into two main types: labor dispatch and labor outsourcing. The management of human rights for atypical labor is conducted in accordance with the Company's internal employment management rules and the systems of labor dispatch and labor outsourcing. In addition to overall benefits, such laborers are entitled to the same employment conditions as formal employees of Walsin, and they also enjoy basic protections such as labor and national healthcare insurance.

Prior to collaborating with labor dispatch or labor outsourcing vendors, the Company first understands their compliance with labor laws, which serves as the basis for evaluating whether to cooperate. Furthermore, given that the Comp ` any's contracts are executed on a fixed-term basis, the Company ensures that, prior to each contract renewal, it proactively conducts inquiries, audits, or other necessary actions regarding the legality of the labor conditions of dispatched or contract-stationed workers, to ensure that cooperating vendors continuously comply with the relevant regulations.

(2) Protective measures taken to ensure a safe working environment and maintain employees' personal safety

Walsin Lihwa's ESH and energy policy is "Green Manufacturing, Happy Enterprise and Sustainable Management".

The occupational safety and health system and fire safety management measures are as follows:

1. To enhance occupational safety and health management (including fire safety management) and fully implement the Occupational Safety and Health Management System (ISO 45001), the application covers all plants in Taiwan (Hsinchuang, Yangmei, Taichung, Yenshui), mainland China plants (Shanghai Walsin, Hangzhou Walsin, Jiangyin Alloy, Changshu Walsin, Yantai Walsin), Indonesian plants (PT. Walsin Nickel Industrial Indonesia), and workers at CAS-managed plant sites (employees, contractors, and visitors), encompassing 8,444 employees (including contract employees) and 9,160 non-employees (contractors/resident outsourced personnel), with an overall coverage rate of 86% for employees and 99% for non-employees (contractors). Taipei headquarters, Nanjing Walsin (Real Estate), and Walsin Precision in Malaysia have not yet applied for certification. All operating sites across the Group, regardless of whether they have obtained ISO 45001 certification, implement occupational safety and health management under a unified management framework, strengthen worker participation and consultative communication, and promote dynamic review, improvement, and recurrence prevention through the PDCA cycle, integrated with annual projects, internal audits and drills, and performance indicator tracking, to continuously enhance workplace safety. This year, the target of reducing the number of disabling injuries by more than 10% year-on-year compared with the prior year has been achieved. The Company manages safety performance on a dual-axis basis using both proactive and reactive indicators, including system promotion, senior management support, work-related injuries and regulatory inspection results, as well as health management indicators such as general and special health examinations. Concurrently, each plant has deployed the requisite number of fire management personnel in accordance with the applicable regulations, implements fire equipment maintenance and self-inspections, and regularly conducts full-staff fire evacuation drills and fire self-defense organization drills to strengthen fire prevention and emergency response capabilities.

2. Designated health and safety and environmental management units or staff

All plants across the Group have established dedicated occupational safety and health units staffed with the requisite number of full-time personnel in accordance with the law, and have formed Occupational Safety and Health Committees (in Taiwan) / Safety Production Committees (in mainland China) and Environmental Safety Management Committees. The proportion of labor representatives meets the regulatory requirements, and meetings are convened on a regular basis to discuss occupational safety and health as well as environmental protection matters. Plants in Taiwan regularly hold Occupational Safety and Health Committee meetings and complete the statutory records. In addition, an ESH meeting minutes and electronic approval platform has been established, and resolutions and safety information are shared through the intranet and email to strengthen communication and management implementation.

Plants	Total General Members	General Members	Labor Representatives	Meetings Times	Labor Percentage
Taiwan	100	64	36	28	36.00%
China	80	76	4	27	5.00%
Malaysia	20	10	10	4	50.00%
Indonesia	19	15	4	12	21.05%
CAS-Covering Areas	123	57	66	76	53.66%

Note 1: All plants in Taiwan have established Occupational Safety and Health Committees (abbreviated as OSH Committees) in accordance with the law, with the number of labor representatives meeting regulatory requirements. Plants in Mainland China, Malaysia, and Indonesia maintain Safety Production Committees.

Note 2: (1) Percentage = Number of labor representatives/Total committee members × 100%.

(2) Taiwan regulations stipulate that labor representatives must constitute at least 1/3 of committee membership; overseas plants have no such requirement.

3. Safe Workplace and Friendly Management

In 2025, there were 114 employee work-related injuries (zero fatal injuries, excluding 233 minor injuries), with a recordable injury rate of 1.28% (number of work-related injuries as a proportion of total employees). Analysis indicates that the primary injury type was entanglement injuries at 16.67%, followed by cut injuries at 14.91%, improper actions at 14.04%, and fall injuries at 11.4%. With respect to the subjects of incidents (excluding CAS), the majority were frontline technical operators, accounting for 92.5% of the total. There were 20 non-employee work-related injuries (zero fatal injuries, excluding 17 minor injuries), with the primary injury type being fall injuries at 25%, followed by impact injuries and cut injuries, each accounting for 20%. All related accident risks and deficiencies have been promptly addressed through hardware protection and management measures. In 2025, there were no incidents of fire or chemical leakage across the Company.

Walsin conducts hazard identification using the Risk Matrix Method and the LEC Method. Following analysis of medium- and high-risk incidents from 2020 to 2024, 41 occupational safety educational videos were produced to promote preventive management and a “zero-injury” culture. All occupational safety incidents are subject to an immediate investigation mechanism (notification within one hour, system entry within eight hours, preliminary investigation within three days, and case closure within seven days), with root cause and accountability analysis conducted using the ECFC and WHY TREE methodologies.

Although the overall FSI in 2025 did not meet the target of 0.4, the Group-wide FSI (excluding CAS) decreased by 49.8% year-on-year compared with the prior year, demonstrating significant improvement.

Note 1: Minor injury: refers to the non-temporarily incapacitated state: unable to work on the day of injury, but can resume normal operation the next day.

4. Training on occupational safety and health for workers

In addition to legally mandated training, necessary training is conducted based on departmental operations, on-site job types, and the annual safety training plan requirements of the business unit. Regular training plans are also established for environmental and safety responsibilities, fire escape drills, special operation personnel, and emergency response drills, along with a comprehensive environmental and safety certification system in place to keep track of the certification trends and needs of each site.

Occupational Safety and Health Educational Training	New Recruit Training	In-Service Personnel Training (internal training)		In-Service Personnel Training (external training, including for license acquisition)		Pre-Site Training for Contractors	
Area	Number of Persons	Number of Times	Number of Persons	Number of Times	Number of Persons	Number of Times	Number of Persons
Taiwan	329	12955	842	334	139	993	181
China	332	14810	151	780	165	2258	330
Malaysia	0	598	43	30	8	0	0
Indonesia	113	3246	86	219	39	0	0
CAS-Covering Areas	708	4069	628	1458	250	68	33
Subtotal	1482	35678	1750	2821	601	3319	544

5. Optimization of Contractor Management

All Walsin factories in Taiwan and China implemented the "Walsin Lihwa Contractor Management Principles," with all contractors required to sign the "Environmental, Safety, and Health Commitment" and comply with the "Contractor Instructions" (coverage rate of 100%). Regular kickoff meetings and contractor agreement meetings are held, and contractors must undergo relevant contractor training before they can qualify for entry to the site (or the plant). Contractor entry and exit information is managed through the “Contractor Management System.” In 2025, the contractor management results for the Taiwan and mainland China regions are as follows: a total of 6,434 control cards were issued in the Taiwan region for contractor entry, with 2 work-related injuries, 456 deficiency notices, and 21 penalty tickets, with cumulative fines totaling NT$653,500; in the mainland China region, a total of 2,470 control cards were issued, with 4 work-related injuries, 59 deficiency notices, and 93 penalty tickets, with cumulative fines totaling RMB99,338.

The Company also promotes the Contractor Safety and Health Management Blue Book, operational standardization, and insurance systems, complemented by kickoff meetings, agreement meetings, and on-site audits, to ensure the implementation of safety requirements for contractor operations. All deficiencies throughout the year have been rectified, and key areas of concern have been highlighted through communications. Notably, no fire incidents occurred at any Walsin plant site involving contractor operations throughout 2025, demonstrating that the contractor management system has effectively reduced the risk of major incidents and strengthened the safety governance capability over supply chain and outsourced operations.

6. Compliance with Occupational Safety and Health Regulations

In 2025, there were four penalty events for violations of occupational safety and health regulations in the Taiwan region (with cumulative fines totaling NT$600,000), and one penalty event for violation of safety production regulations in the mainland China region (with cumulative fines totaling RMB25,000). The Company will continue to review each incident and penalty event, and will address high-risk hazardous operations and equipment, high-frequency near-miss events, and identified latent hazards on a project basis, leveraging information systems to gradually improve personnel safety awareness, maintain real-time control over machinery and equipment, manage (raw) materials and chemicals, and progressively establish an intelligent occupational safety system to optimize the occupational safety and health management system.

Note: The standard for disclosure of major fines is NT$100,000/RMB22,000.

7. Establish friendly, safe and healthy workplace through health promotion

(1) **Occupational Safety and Health Activity Highlights**

Walsin designs feasible employee health promotion plans every year. The Company conducts health inspections and analysis of results based on risk management, as well as on hazardous operations and special groups of hazardous operations (such as noise, free radiation, dust, high temperature, lead, manganese, nickel, n-hexane, and vinyl chloride operations) in the plants, and establishes health protection plans for hazardous operations, to ensure that employees have a good working environment and avoid occupational diseases. The follow-up results for 2025 indicate no work-related health abnormalities.

In 2025, through health promotion seminars and activities, efforts were made to enhance employees' health awareness and guide them in changing health behaviors and habits, while acquiring correct health knowledge. In 2025, a total of 159 related health education seminars were conducted, with a cumulative participation of 5,092 individuals. Additionally, 10 female employees received maternal labor health protection.

(2) **Results of Health Promotion Activities**

- In-service personnel health management: 2,720 persons
- New recruit health management: 291 persons
- Workers engaged in particularly hazardous health operations: 1,125 persons

Health Promotion	Number of Times	Number of Attendees
Health Promotion - Dynamic Activities	41	1,925
Health Issues - Static Lectures	75	1,174
Safety First Aid Education and Training	34	1,423
Blood donation for charity	9	570 (952 bags of blood donated)

(3) **2025 Promotion of Healthy Workplaces**

- Workplace health promotion self-assessment passed: Taipei headquarters, Hsinchuang Plant, Yangmei Plant, Taichung Plant, and Yenshui Plant.
- Taipei headquarters received the 2025 Sports Enterprise Certification from the Sports Administration, Ministry of Education.
- Hsinchuang Plant received the 2025 Safe Workplace Certification.
- Hsinchuang Plant received the 2025 Bronze-Level Middle-Aged and Senior-Friendly Workplace Certification from New Taipei City.

(4) **Specific Measures and Implementation Results for Chronic Disease Prevention (Obesity, Hypertension, Hyperglycemia, and Hyperlipidemia) in 2024**

The Company has implemented the following specific measures to prevent obesity and hypertension, hyperglycemia, and hyperlipidemia among employees: The Company arranges regular health examinations for all employees, achieving a 100% examination rate. For individuals with elevated BMI, abnormal blood pressure, blood sugar, or blood lipids, individual health management files are established. These employees receive one-on-one physician consultations and, when necessary, are referred to professional medical institutions for further treatment. Additionally, the Company invites professional nutritionists to provide health education seminars on healthy eating and organizes

activities such as smoking cessation programs, fat and weight reduction initiatives, walking competitions, and core strength building programs.

Through these preventive measures, the overall percentage of employees with blood sugar abnormalities decreased from 24.1% to 19.8%, and the percentage of cholesterol abnormalities decreased by 1.5%. The average satisfaction rate for participation in health promotion activities exceeded 92.5%.

(3) From the most recent year to the date of publication of this Annual Report, any labor-management disputes and resulting losses suffered by the Company and its countermeasures: None.

6. Information Security Management

(1) Describe the risk management framework for information and communications security, information and communications security policies, specific management plans, and resources devoted to information and communications security management.

Walsin Lihwa's dedicated information security team is committed to strengthening the overall information security protection capability of the enterprise, to enhance the enterprise's information security rating, meet customers' information security requirements, and fulfill the commitment to information security goals for customers, shareholders, and all stakeholders. To build a "digitally sustainable" information system architecture and advance the corporate goal of "digital transformation," the Company has adopted "driving cloud-to-ground zero trust" and "strengthening cybersecurity resilience" as the principal pillars, established a comprehensive cybersecurity protection platform with simulation exercises, and integrated AI-driven proactive detection and prevention technologies to deploy real-time detection and defense capabilities.

In response to the increasingly severe cybersecurity threats, Walsin has implemented high-standard, in-depth cybersecurity defenses based on the NIST CSF and CISA ZTA frameworks, structured around six key processes — "Govern, Identify, Protect, Detect, Respond, and Recover" — and five dimensions — "Identity, Endpoint, Network, Application, and Data" — to comprehensively and effectively identify the information security risks faced by the enterprise and promptly apply effective control measures to mitigate information security risks.

We have enhanced the management of high-privilege accounts, host security monitoring and security testing, application security enhancement, external service vulnerability improvement, network security segmentation, introduction of information security monitoring mechanisms (SOC), strengthening cloud information security management, and enhancing colleagues' awareness of information security. Walsin will continue to optimize cybersecurity protection by introducing an integrated cloud and on-premises security management framework, gradually transitioning information systems and backup mechanisms to the cloud. This will enhance operational efficiency and the level of cybersecurity, supporting the realization of the "net-zero carbon emissions" goal.

1. Risk management framework for information and communications security

Walsin Lihwa has promoted an information security strategy plan centered on "strengthening information security resilience" by establishing an overall information security protection platform, perfecting information security technical protection measures, demonstrating proactive defense capabilities, and laying the foundation for digital sustainability, in line with the government's policy goal of "information security equals national security."

Walsin has established its information security risk management framework with a dedicated information security organization, senior executive participation, and alignment with international information security standards, specifying relevant information security policies and regulations to implement information security management.

- **Dedicated Information Security Organization**: In response to the corporate transformation and enhancement of information security management, Walsin Lihwa has established a dedicated information security organization - "Information Security and System Operation &Management Division" and, in 2022, appointed a Chief Information Security Officer (CISO), an information security manager, and two or more dedicated information security personnel. The division is responsible for formulating information security policies, planning, coordinating and implementing information security protection measures, continuously performing information security risk assessment and management, developing a complete information security plan, and promoting information security management and solutions year by year.
- **Participation of Senor Executives**: The Company has established the IT Steering Committee, which is the information security management and decision-making body for the head office and business units, and is responsible for reviewing and deciding on matters related to information security management. There are also several members on the Board of Directors with backgrounds in information security in the Audit Committee to supervise and review the promotion of information security policies.
- **Implementation of Information Security Management:** In 2022, Walsin Lihwa implemented ISO 27001 Information Security Management System (ISMS) and obtained certification from a third-party certification body to fully manage its information security through PDCA. In 2024, Walsin successfully

obtained the new ISO 27001:2022 certification, further strengthening the security protection of threat intelligence, configuration management, and cloud services. We have built up the confidentiality, integrity, and availability of information security management system of our organizations comprehensively, and strengthened our information security management continuously through different management plans in such aspects as prevention beforehand, monitoring during the event, and response after the event.

2. Information Security Policies and Goals

The goal of information security at Walsin is to maintain the confidentiality, integrity and availability of sensitive information, such as customer data and business information. Therefore, all of our employees, internal and external information service users and third-party outsourced service providers should work together to follow and achieve the following policies and objectives:

- To protect the Company's confidential information from being accessed, altered, or damaged in an unauthorized way or improperly disclosed, in compliance with internal and external regulatory requirements.
- To protect information on the Company's business activities from unauthorized access or disclosure, and to ensure the accuracy of all business information.
- To establish a complete business continuity plan and information security incident management procedures, to ensure that incidents are responded to, controlled and handled properly, and by conducting regular drills, to ensure the continuous operation of information systems or services.
- To handle and protect personal information and intellectual property rights in a prudent manner in accordance with the relevant domestic and foreign regulations in respect of the Personal Information Protection Act and the intellectual property law.
- To perform regular information security compliance audits to review the implementation of the information security management system.
- All employees shall maintain a high level of information security awareness at all times, and supervisors at all levels shall assume ultimate responsibility for information security supervision, management and training, to achieve the goal of reducing the risk of information use through various activities, such as management review, risk assessment, internal audit, education and training, and information security drills.
- All staff of the Company shall follow information security policies, management practices and standard procedures, and violations of information security policies and related regulations shall be handled in accordance with relevant laws and regulations or the Company's regulations.

3. Construction of the resilience of corporate information security and implementation of information security management

- We have drafted information security plan to promote information security policy year by year, to introduce information security system and process specification, and to continuously establish complete information security technical protection measures.
- The specific management plan is to be gradually achieved through the five stages of "Internal and External Segregation," "Physical Fitness," "Insight," "Smart Security," and "Behavior Analysis," the six phases of "Govern," "Identify," "Protect," "Detect," "Respond," and "Recover," and the five dimensions of "Identity," "Endpoint," "Network," "Application," and "Data," based on the cybersecurity control map established thereunder.
- The specific management plans:
  1. Planning and establishing data protection mechanisms to reduce risk of leaking confidential information.
  2. Continuously introducing advanced information security solutions to effectively protect and manage system, host and network behavior.
  3. Strengthening external information service protection to enhance the ability to block hacker attacks.

4. Regularly organizing educational training to promote new information security knowledge and to raise employees' awareness of information security.
5. Regularly conducting disaster preparedness drills for important systems, so that in the event of a disaster, operations may be quickly resumed to ensure the company's operational sustainability.
6. Improving the protection capability of endpoints, servers and network devices by introducing Endpoint Detection & Response (EDR).
7. Introduction of information security monitoring mechanisms (Security Operations CenterSOC) to establish effective real-time incident handling and response capabilities.
8. Walsin Lihwa introduced the ISO 27001 Information Security Management System (ISMS) in 2022 and obtained certification from a third-party verification institution, thereby implementing information security management with PDCA. We have comprehensively built the confidentiality, integrity, and availability of the organization's information security management system, and according to different management planning in the aspects of prevention, monitoring, and response, in order to assist the enterprise in continuously strengthening information security management.
9. Strengthening cloud information security management and achieving ESG digital sustainability purposes through ZeroTrust.
10. Introducing M365 Security with AI automation technology to assist in cybersecurity detection and protection, targeting the Advanced level of zero trust.
11. Introducing a Privileged Access Management (PAM) system to ensure the security of privileged account passwords.
12. Introducing physical device security controls to ensure the data security of printing, copying, scanning, and faxing operations.

4. Investment in cyber security management resources

- The corresponding information security management issues and the resources to be invested are summarized as follows:

1. Major issue: Since 2024, 'Information Security Management' has been included as one of the 'Major Issues' in the Company's sustainability report.
2. Dedicated organization: A dedicated information security organization, "Information Security and System Operation & Maintenance Division," was established and a Chief Information Security Officer (CISO), an information security manager, and two or more dedicated information security personnel were appointed, responsible for drafting and amending information security policies, as well as planning, coordinating, and executing information security protection measures.
3. Management review: The IT Steering Committee holds at least one management review meeting annually to audit the information security policy and its implementation and execution, in order to ensure the effectiveness and appropriateness of the standardized information security policy in compliance with relevant laws and the requirements of competent authorities.
4. Information security certification: We pass the ISO27001 Information Security Management System (ISMS) certification annually, while there are no significant deficiencies in our related information security audits. As of the date of printing of this Annual Report, the validity period of the most recent certificate is from January 6, 2026 to January 6, 2029."
5. Stakeholder issues: In 2025, no major cyber security incidents or confidential information leakage occurred, nor did any other event cause losses to the Company and its customers.
6. Advocacy and training: The Company continues promoting a month-long information security awareness campaign annually, as well as implementing mandatory information security education training courses for all employees. In 2025, the number of participants exceeded 2900. In 2025, 12 email social engineering drills were conducted, with more than 2900 participants, and colleagues who failed the social engineering drills were required to participate in online information security courses and complete the test. One cybersecurity incident reporting management drill was conducted.
7. Information security regulations: In addition to revising all information security regulations in 2022,

three in 2024, 13 in 2024, and six in 2025 respectively, were further revised annually to comply with domestic and international legal requirements and respond to changes in the external environment.

8. Information security testing: Four third-party information security risk testing operations were conducted in 2025.

(2) In 2025, no major cyber security incidents or confidential information leakage occurred, nor did any other event cause losses to the Company and its customers.

7. Material Contracts

(1) Walsin Lihwa Corporation

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Guarantee Agreement	Lenders of RMB syndicated term loan: CTBC Bank (Arranger), Mega Bank, First Commercial Bank, and Chang Hwa Bank	The agreement was signed on February 6, 2024, with the maturity of the loan falling on February 7, 2029	The loan is a five-year facility in a total amount of RMB 800 million.	1. Current ratio>=100% 2. Debt ratio<=120% (Net liabilities/Tangible net worth) 3. Interest coverage ratio>=300% 4. Tangible net worth>= NT$80 billion
Guarantee Agreement	NT$ Syndicated Term Loan Bank Syndicate: Mega Bank (Arranger), Taishin International Bank, Chang Hwa Bank, E.SUN Bank, Land Bank of Taiwan, Hua Nan Bank, First Commercial Bank, Taiwan Cooperative Bank, Fubon Commercial Bank, and KGI Bank	The agreement was signed on 2024/04/09, with the maturity of the loan falling on 2031/06/04	The loan is a seven-year facility in a total amount of NT$13.74 billion. (Adjusted to NT$17.92 billion after amendment)	1. Current Ratio >= 100% 2. Debt Ratio <= 120% (Net Debt/Tangible Net Worth) 3. Tangible Net Worth >= NT$80 billion 4. Interest Coverage Ratio >= 3
Land Lease Agreement	Taiwan International Ports Corporation, Kaohsiung Port Branch	Effective from March 21, 2022; 20 years after the commencement of operation	1. Lease of approximately 18.38 hectares of land in A6 of the first phase of the Kaohsiung Port Intercontinental Container Center; 2. The annual rent is NT$13,971,738, with the fixed annual management fee of approximately NT$8,275,428 from the commencement of operations.	No rights under the agreement may be transferred without the consent of the Lessor.
Land Lease Agreement	Taiwan International Ports Corporation, Kaohsiung Port Branch	Effective from April 23, 2024; 20 years from the date of delivery	1. Lease of A6 Port for the first phase of the Kaohsiung Port Intercontinental Container Center and the right to use the rear land of approximately 376 hectares; 2. The annual rent is NT$8,150, and the annual fixed management fee is NT$8.5 million.	No rights under the agreement may be transferred without the consent of the Lessor.

(2) Walsin (Nanjing) Development Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Construction Agreement	38 companies, including Nanjing Construction Design Research Institute Co., Ltd.	2022/01/06-2028/06/30	1. Design, consultancy, and construction for Walsin Centro Plot AB, Phases II & III. 2. Cumulative Amount: RMB50,250,000.	None
Operational Property Support Loan Agreement	Industrial and Commercial Bank of China Limited, Nanjing Xinjiekou Sub-branch	2024/12/20 - 2039/12/20	We use Phase II of Project NO.2004G51AB as financing asset to borrow RMB 2 billion from the party for refinancing related party loans, paying project tail payments, and decoration/renovation costs.	None

(3) Yantai Walsin Stainless Steel Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Sale and Purchase of Real Property	China Merchants Real Estate (Yantai) Co., Ltd.	April 17, 2023	1. Acquisition of real property 2. Amount: Approximately RMB129,765,000	None
Construction Agreement	25 companies, including China Construction Eighth Engineering Division. Corp. Ltd.	2022/01/12-2023/12/31	1. Civil construction for Yantai Plant 2. Cumulative Amount: RMB689,879,000.	None
Loan Agreement	Lenders of RMB syndicated term loan: CTBC Bank (Arranger), Mega Bank, First Commercial Bank, and Chang Hwa Bank	The agreement was signed on February 6, 2024, with the maturity of the loan falling on February 7, 2029	The loan is a five-year facility in a total amount of RMB 800 million.	The total amount of shareholders' equity and the amount borrowed by shareholders or affiliates shall not be less than RMB1.8 billion.
Construction Engineering Contract	Yantai Hongqi Real Estate Co., Ltd.	2025/01/01	1. Yantai Renewable Resources Project Construction 2. Amount approximately RMB3,559,000	None
Construction Engineering EPC Contract	Bomei Intelligent Technology (Shanghai) Co., Ltd.	2025/01/20	1. Yantai Ultra-low Emission Retrofit Project; Amount: RMB213,550,000	None
Technical Services Contract	Jiangsu Jinheng Information Technology Co., Ltd.	2025/12/29	1. Phase I of digital and intelligent transformation of Yantai Walsin Stainless Steel 2. Contract amount: RMB4,523,960 (tax inclusive)	None

(4) Walsin (China) Investment Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Entrusted Loan Agreement	Citibank Shanghai Branch	Executed on January 22, 2026	Adjustment of interest rates under the entrusted loan agreement executed in 2007: debit rate adjusted to 2.2%; credit rate adjusted to 0.95%. The new rates became effective on February 2, 2026.	None
Supplemental Agreement	HSBC Bank (China) Company Limited	Executed on March 19, 2025	Amendment to the Liquidity Management Master Agreement executed on May 15, 2023, adjusting the facility. The main account borrowing credit limit for WCIL is set at RMB350,000,000, and the lending credit limit at RMB2,935,000,000.	None

(5) Walsin Energy Cable System Co., Ltd.

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Joint Venture Agreement	Walsin Lihwa Corporation NKT HV Cables AB	Effective from March 1, 2023	In order to jointly develop the submarine cable business, Walsin Lihwa Corporation and NKT HV Cables AB jointly established Walsin Energy Cable System Co., Ltd.	None
Technical Consulting Agreement and Technology Licensing Agreement	NKT HV Cables AB	Effective from March 1, 2023	In order to jointly develop the submarine cable business, NKT HV Cables AB provides technical consultation and licenses its technology to Walsin Energy Cable System Co., Ltd.	None
Land Sublease Agreement	Walsin Lihwa Corporation	Effective from 5 May 2023, and 20 years from the date of commencement of operation	1. In order to develop the submarine cable business, it subleased to Walsin Lihwa Corporation a total of about 18.38 hectares of the rear land of the first phase of Kaohsiung Intercontinental Container Terminal Project; 2. The annual rent is NT$13,791,738, with the fixed annual management fee of approximately NT$8,275,428 from the commencement of operations.	This sublease was carried out with the consent of the Lessor.
Engineering Contract	Chung-Lu Construction Co., Ltd.	2023/09/28 - 2025/11/30	1. Commissioned for civil engineering construction of the plant for the development of submarine cable business. 2. Total Amount of Civil Engineering: NT$1,159,541,000	None
Construction Agreement	Chung-Lu Construction Co., Ltd.	1. From July 17, 2023 to May 31, 2025	1. In order to develop the submarine cable business, the contractor was commissioned to construct the civil works for the plant. 2. Cumulative amount of civil works: NT$4,664,625,000	None

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Construction Works Contract	Chung Lu Construction Co., Ltd.	From October 15, 2024 to June 30, 2025	1. Construction of plant civil works for the submarine cable business. 2. Cumulative civil works amount: NT$1,431,440 thousand.	None
Loan Agreement	NT$ Syndicated Term Loan Banks: Mega Bank (Arranger), Taishin International Bank, Chang Hwa Bank, E.SUN Bank, Land Bank of Taiwan, Hua Nan Bank, First Bank, Taiwan Cooperative Bank, Fubon Commercial Bank, KGI Bank	The agreement was signed on 2024/04/09, with the maturity of the loan falling on 2031/06/04	The loan is a seven-year facility in a total amount of NT$13,740,000,000 (adjusted to NT$17.92 billion after amendment).	Negative covenants; financial ratio restrictions

(6) Cogne Acciai Speciali S.p.A

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Loan Agreement	Citibank N.A.	The agreement was signed on 2024/10/23, with the maturity of the loan falling on 2027/10/23	The loan is a three-year facility in a total amount of EUR130,000,000.	Walsin Europe S.a.r.l uses equivalent USD deposits as security.

(7) Special Melted Products Limited

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Sale-Leaseback Agreement	PEAC Asset Finance	From January 2025 to December 2029	1. Five-year equipment sale-leaseback at a fixed interest rate, with installment payments made monthly in advance. 2. Total amount: EUR1,045,553.	Purchase option agreed
Sale-Leaseback Agreement	PEAC Asset Finance	From April 2025 to March 2030	1. Five-year equipment sale-leaseback at a fixed interest rate, with installment payments made monthly in advance. 2. Total amount: EUR1,678,308.	Purchase option agreed
Lease Agreement	Stirling Properties Limited	From August 2024 to July 2033	1. Lease of real property 2. Lease term: 10 years, with annual rent of EUR140,000, totaling EUR1,400,000.	None

(8) DMV GmbH

Nature of Contract	Parties (Contracting Entity of the Other Party)	Contract Start/End Dates	Main Content	Restrictive Clauses
Lease Agreement	Dalmine Spa	June 1, 2020 – May 31, 2032	1. Lease of factory and office space. 2. Total rent is EUR 9.2 million.	If DMV does not proceed with termination, the agreement will automatically extend for an additional six years upon expiration.
Shareholder Loan	DMVUSA	From November 18, 2025 to November 10, 2026	Facility of USD10 million, one-year term.	